

NIH POLICY MANUAL

54810 - NATIONAL RESEARCH SERVICE AWARDS

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1. Explanation of Material Transmitted:

This chapter is being revised to reflect policy and procedure changes affecting National Research Service Awards. It addresses both the institutional grant and the individual award, as well as the payback requirements for recipients of support.

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I. General

A. Purpose

The purpose of this chapter is to set forth the policy and procedures governing the general provisions, award, and management of National Research Service Awards. It addresses both the institutional grant and the individual award, and the payback requirements for recipients of support.

B. Applicability

This policy is applicable to all NIH Institutes and Centers that award institutional training grants or individual fellowships under the National Research Service Award (NRSA) authorization of Section 487 of the Public Health Service Act.

C. References

1. Code of Federal Regulation, Title 42, Part 66 National Research Service Awards.
2. Public Health Service Act, Section 487 as amended (42 USC 288).
3. PHS Grants Policy Statement, April 1, 1994.
4. PHS Grants Administration Manual Part 203, Compensation of Students and Trainees under Research Grants.
5. PHS Grants Administration Manual Part 300, Predoctoral and Postdoctoral Trainee Support.

D. Background

Section 487 of the Public Health Service Act (42 USC 288), provides authority for the National Institutes of Health (NIH) to award National Research Service Awards (NRSA) to support predoctoral and postdoctoral training. This section states that the Secretary shall provide National Research Service Awards for predoctoral and postdoctoral training of individuals to undertake biomedical and behavioral research at domestic and foreign, public and private institutions (profit and non-profit). Section 487 (a) (1) (B) authorizes institutional NRSA grants limiting NRSA support to training and research at public and nonprofit private entities. The National Research Service Award legislation requires recipients to pay back to the Federal Government their initial 12 months of NRSA postdoctoral support by engaging in health-related biomedical or behavioral research, research training, health-related teaching, or any combination of these activities (See Section IV). Title 42 of the Code of Federal Regulations, Part 66, is applicable to these awards.

E. Nondiscrimination

The NIH research training and career development programs are conducted in compliance with applicable laws that provide that no person shall, on the grounds of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity (or, on the basis of sex, with respect to any education program or activity) receiving Federal assistance. Applicant organizations are required to have appropriate Assurance of Compliance forms filed with the Office of Civil Rights, Office of the Secretary, DHHS before a grant may be made to that institution. The NIH awarding component should be contacted if there are any questions concerning compliance.

II. Individual National Research Service Awards (Fellowships)

A. General

The Congress of the United States enacted the National Research Service Act Program in 1974 to help ensure that highly trained scientists would be available in adequate numbers and in appropriate research areas to carry out the Nation's biomedical and behavioral research agenda. Under this congressional authority, the National Institutes of Health (NIH) awards NRSA individual postdoctoral fellowships (F32) to the most promising applicants to support full-time research training related to the mission of the NIH awarding components. Some specialized individual predoctoral fellowships (F31s and F30s) and Senior Fellowships (F33s) are also provided under the NRSA. For individual predoctoral fellowships, NIH awarding components have different requirements. Thus specific program announcements should be consulted for guidance.

National Research Service Awards (NRSA) are made to individual fellowship applicants selected for award as a result of national competition for research training in specified health-related areas. All NIH awarding components except the Fogarty International Center (FIC) and the National Library of Medicine (NLM) make individual awards under NRSA. FIC & NLM have unique funding authorities for fellowships that are not under the NRSA.

1. Eligibility

a. Research Areas

National Research Service Awards may be made for research training in areas which fall within the mission of the NIH awarding components. Applications which do not fit these areas will be returned. An increased emphasis has been placed on the research training of physicians. The Secretary, DHHS, is required by law, in taking into account the overall national needs for biomedical research personnel, to give special consideration to physicians who agree to undertake a minimum of two consecutive years of biomedical and behavioral research training.

b. Research Training Program

The NRSA fellowship must be used to support a program of research training. It may not support studies leading to the M.D., D.O., D.D.S., D.V.M., or other clinical, health professional degrees; nor to support residencies, the primary purpose of which is the attainment of a medical or nursing specialty. Research trainees in clinical areas are expected to devote full time to the proposed research training and to confine clinical duties to those which are part of the research training.

2. Degree Requirements

a. Predoctoral

Individuals must have received, as of the activation date of their NRSA award, a baccalaureate degree and must be enrolled in and training at the post baccalaureate level in a program leading to the award of a Doctor of Philosophy of Science (Ph.D. or Sc.D.) or a combined clinical degree and Ph.D. degree such as M.D./Ph.D.

b. Postdoctoral

Before an NRSA award can be activated, individuals must have received a Ph.D., M.D., D.O., D.D.S., D.V.M., O.D., D.P.M., Sc.D., D.Eng., D.N.S., or equivalent doctoral degree from an accredited domestic or foreign institution. Certification by an authorized official of the degree granting institution that all degree requirements have been met is also acceptable.

c. Senior Fellows

As of the beginning date of their award, senior fellows must have received a doctoral degree (as in A.2.b. above) and must have had at least seven subsequent years of relevant research and professional experience. The senior fellowship is awarded to provide opportunities for experienced scientists to make major changes in the direction of their research careers or to broaden their scientific background by acquiring new research capabilities. In addition, these awards will enable individuals beyond the new investigator stage to take time from regular professional responsibilities for the purpose of increasing their capabilities to engage in health-related research. Senior fellowships are made for full-time research training. Health professionals may utilize some of their time in clinical duties which are part of their research training.

3. Citizenship

The individual to be trained must be a citizen or a non-citizen national of the United States or have been lawfully admitted for permanent residence at the time of award. A non-citizen national is a person, who, although not a citizen of the United States, owes permanent allegiance to the U.S. They are generally persons born in outlying possessions of the United States (e.g., American Samoa and Swains Island). Individuals who have been lawfully admitted for permanent residence must be in possession of a currently valid Alien Registration Receipt Card (I-551), or must be in possession of other legal verification of such status. For example, if an individual is in possession of the proper validation on his/her passport, a notarized photocopy of the passport could suffice. Since there is a six-month limitation on this validation, it is the responsibility of the sponsoring institution to follow-up and assure that the individual received the I-551 prior to the six month expiration date.

An individual expecting to be admitted as a permanent resident by the earliest possible award date listed in the fellowship program announcement may submit an application for an individual NRSA fellowship. The submission of documentation concerning permanent residency is not required as part of the initial application. Any applicant selected to receive an award must provide a notarized statement of admission for permanent residence prior to award.

Applicants who have been lawfully admitted for permanent residence; i.e., are in possession of an Alien Registration Receipt Card or other legal verification of such status, should check the Permanent Resident box in the citizenship section on the face page of the fellowship application. Applicants who have applied for and have not yet been granted admission as a permanent resident should also check the same box, but should write in the word "pending."

Individuals on temporary or student visas are not eligible for support from the NRSA.

4. Sponsorship

a. General

Before submitting a fellowship application, the applicant must identify a sponsoring institution and an individual who will serve as a sponsor and will supervise the training and research experience. The sponsoring institution may be private (profit or nonprofit) or public, including the NIH Intramural Programs and other Federal laboratories. The applicant's sponsor should be an active investigator in the area of the proposed research who will directly supervise the candidate's research. The sponsor must document in the application the training plan for the applicant as well

as the availability of staff, research support, and facilities for high-quality research training. Applicants proposing training at their doctorate institution or at the institution where they have been training for more than a year must document thoroughly the opportunity for new training experiences that would broaden their scientific background.

b. Foreign Sponsorship

Under exceptional circumstances an individual may request support for training abroad. In such cases, the applicant is required to provide detailed justification for the foreign training and why the facilities, the mentor, or other aspects of the proposed experience are more appropriate than training in a domestic setting. The justification is evaluated in terms of the scientific advantages of the foreign training as compared to the training available domestically. Only in cases where there are clear scientific advantages will the foreign training be considered for funding.

5. NIH Employees

Both Civil Service employees and PHS Commissioned Officers at NIH are permitted to compete for predoctoral and postdoctoral fellowships. The proposed training should be primarily for career development rather than for the immediate research needs of NIH. The employee's supervisor must disassociate him/herself from the review and award process. Successful NIH applicants for the predoctoral or postdoctoral fellowship awards must either resign from NIH or take leave without pay prior to activating the award. (There is no obligation or commitment by the NIH or the fellow for future employment at NIH upon termination of the fellowship.)

6. Individuals on Active Military Duty

The NIH has no restriction against career military personnel applying for research fellowship awards while on active military duty. At the time of application, a letter from the applicant's branch of the military service should be submitted endorsing his/her application and indicating willingness to continue normal active duty pay and allowance during the period of the requested fellowship. If an award is made, the institutional allowance and necessary tuition and fees permitted on a postdoctoral program will be paid. However, stipends, health insurance, and travel allowances will not be reimbursed. Payment of concurrent benefits by NIH to active duty career military awardees is not allowed.

B. Application and Receipt Dates

1. Application

Each applicant must submit an application using the Form PHS 416-1. At least three letters of reference on his or her behalf must also be submitted. The major emphasis of the application should be the research training experience and broadening of scientific competence. The application must include the sponsor's Facilities and Commitment Statement. By signing the face page of the application, the applicant indicates that he or she has read the payback information and will meet any payback provisions required under the law as a condition for accepting the National Research Service Award. Applicants and sponsoring institutions must comply with policies and procedures governing the protection of human subjects, the humane care and use of live vertebrate animals, and the inclusion of women and minorities in study populations.

On the application face page, applicants should indicate (in the Request for Applications section) the initials of the NIH Institute most appropriate to the research area of the application. If the application is submitted in response to a Program Announcement (PA) or Request for Application (RFA) from a particular Institute, the applicant should identify the number of the PA or RFA on the face page. This information will be used as a guide in the application assignment process.

2. Concurrent Applications

An individual may not have two or more competing NRSA applications pending review concurrently in the National Research Service Award program.

3. Application Availability

Application kits containing forms, instructions, and related information may be obtained from:

The Division of Extramural Outreach and Information
Resources, OER, NIH
6701 Rockledge Drive, MSC 7910
Bethesda, MD 20892-7910

Phone: (301)-435-0714

E-mail: asknih@odrockm1.od.nih.gov

4. Receipt Dates

Individual fellowship applications undergo a review process that takes between five and eight months. The annual receipt dates and review cycle are found in Appendix 2.

C. Review

Each initial and competing renewal application will be evaluated for scientific merit by an NIH Scientific Review Group (SRG). Review criteria for this evaluation will include the applicant's past academic and research record, the research training proposal, the sponsor's general qualifications, the training environment, publications, references, and the applicant's research goals. Individual fellowship applications receive a secondary level of review by Institute staff.

It is important to remember that the purpose of the fellowship program is for research training. Major considerations in the review are the applicant's potential for a productive scientific career, the applicant's need for the proposed training, and the degree to which the research training proposal, the sponsor, and the environment will satisfy these needs.

D. Notification of Action

Shortly after the initial review meeting, each candidate receives a mailer that includes the SRG recommendation/priority score and the name of a program official in the assigned NIH awarding component. A copy of the summary statement is automatically forwarded to the applicant as soon as possible. The applicant will be notified by letter concerning the final review recommendation. Any questions about initial review recommendations and funding possibilities should be directed to the appropriate institute program official, not the scientific review administrator of the SRG. A Notice of Research Fellowship Award will be issued to applicants selected for funding.

E. Period of Support

All fellows are required to pursue their research training on a full-time basis, normally defined as 40 hours per week or as specified by the sponsoring institution in accordance with its own policies.

No individual fellow may receive more than five years of aggregate NRSA support at the predoctoral level and three years of aggregate NRSA support at the postdoctoral level, including any combination of NRSA support from institutional and individual awards. Any exception to this requires a waiver from the Director of the NIH awarding component or designee based on review of justification from the individual and sponsoring institution. The grounds for approving extensions of support are as follows:

1. Physicians/Clinicians

Individuals requiring additional time to complete training, either as a participant in a combined M.D.-Ph.D. program or as clinicians (e.g., physicians, dentists, veterinarians) who are completing postdoctoral research training, may anticipate favorable consideration of a request for waiver of the time limitation. This action is contingent upon certification of the recipient's good academic standing and justified need for the exception to policy.

2. Interruptions (Break-In-Service)

Requests for additional time will also be considered if an event unavoidably has altered the planned course of the research training; the interruption has significantly detracted from the nature or quality of the planned research training; and if a short extension would permit completion of the training as planned. Such events include sudden loss of the preceptor's services or an accident, illness, or other personal situation, which prevents a trainee or fellow from pursuing research training in an effective manner for a significant period of time. Requests for extension of support will also be considered if a short additional period would provide the fellow an opportunity to use an exceptional training resource directly related to the approved research training program.

3. Other Exceptions

Requests that do not arise from circumstances considered in E.1 or E.2 above will be considered if they are accompanied by an exceptionally strong justification. Requests must be made in writing to the NIH awarding component by the fellow. The fellow's sponsor and an authorized institutional business official, must endorse the request certifying the need for additional support. The request must include a sound justification and specify the amount of additional support for which approval is sought. Requests must be approved by the Director of the awarding component or designee.

F. Initiation of Support

1. Process

The awarding component will notify the individual of the intention to make an award and confirm the actual plans for the start of the fellowship support. The Notice of Research Fellowship Award will be issued so that the individual may begin the fellowship immediately on or after the issue date, or permit a period of up to six months for the individual to finalize arrangements, such as the completion of degree requirements, final coordination with the sponsor, and, if necessary, a move to the sponsoring institution. The fellow must start the period of training under the award by the latest activation date as shown on the Notice of Research Fellowship Award; i.e., six months from the award issue date.

Extensions of the activation period may be granted in unusual circumstances. Written requests for extensions should be submitted by the fellow, and countersigned by the sponsor and authorized institutional business official.

The day the fellow begins training, the Activation Notice and the Payback Agreement (only for postdoctoral fellows in their first 12 months of NRSA postdoctoral support) must be completed and submitted to the awarding component (see Section H.1.a.(1) and (2)). A stipend may not be paid until these forms are submitted and the fellow begins training. If necessary for payroll purposes, the Activation Notice and Payback Agreement may be submitted up to 30 days in advance of the start date. However, any change in this planned activation start date must be reported immediately to the business office of the institution and the awarding component. If an award is conditioned upon the completion of degree requirements, certification of completion by the degree granting institution must be submitted with the Activation Notice.

The initial award is usually for 12 months. Subsequent periods of approved fellowship training are consecutive with the first year of support and are usually in 12-month increments. If a fellow decides not to activate the award, or to terminate early, he or she should notify the institutional business office, the sponsor, and the awarding component immediately in writing.

2. Payment

a. Domestic

(1) Domestic, non-Federal sponsoring institutions receive an award for the stipend, institutional allowance, and tuition and fees (when applicable). The domestic institution directly pays the fellow and disburses all other awarded costs.

(2) Federal Laboratories Fellows training at Federal laboratories are paid stipends directly by the awarding component through the Office of Financial Management (OFM), which also reimburses the fellow for appropriate expenditures from the institutional allowance.

b. Foreign

Fellows training at foreign sites receive stipends directly from OFM; however, the institutional allowance is awarded to and disbursed by the sponsoring institution.

G. Financial Provisions

Costs are normally provided based on a 12-month budget period. Awards for less than 12 months will be prorated accordingly.

1. Stipends

A stipend is provided as a subsistence allowance for fellows to help defray living expenses during the research training experience. It is not provided as a condition of employment with either the Federal Government or the sponsoring institution. Changes in stipend levels are published in the NIH Guide for Grants and Contracts. Stipends must be paid in accordance with stipend levels set by this policy. No departure from the standard stipend schedule, as provided from the fellowship, may be negotiated by the sponsoring institution with the fellow.

a. Levels (Current annual stipend amounts are detailed in Appendix 1)

(1) Predoctoral

One stipend level is used for all predoctoral candidates, regardless of the level of experience.

(2) Postdoctoral

The stipend level for the entire first year of support is determined by the number of full years of relevant postdoctoral experience at the time the award is issued. Relevant experience may include research experience (including industrial), teaching assistantship, internship, residency, clinical duties, or other time spent in a health-related field beyond that of the qualifying doctoral degree. Once the appropriate stipend level has been determined, the fellow must be paid at that level for the entire grant year. The stipend for each additional year of NRSA support is the next level in the stipend structure and does not change mid-year.

(3) Senior Fellows The amount of the NRSA stipend to be paid shall be commensurate with the base salary or remuneration which the individual receiving the award would have been paid by the institution with which he or she has permanent affiliation on the date of the fellowship award, but in no case shall the stipend award exceed the current NRSA stipend limit set by NIH. Fringe benefits are not provided with this award. The level of NRSA support will take into account concurrent salary support provided by the institution, and the policy of the sponsoring institution.

b. Stipend Supplementation

Fellows are supported for 12-month full-time training appointments for which they receive stipends to defray living expenses. Stipends may be supplemented by an institution from non-Federal funds provided this supplementation does not require any additional obligation from the fellow. An institution can determine what amount of stipend supplementation, if any, will be provided according to its own formally

established policies governing stipend support. These policies must be consistently applied to all individuals in a similar status regardless of the source of funds. Federal funds may not be used for stipend supplementation unless specifically authorized under the terms of the program from which funds are derived. Under no circumstances may Public Health Service (PHS) funds be used for supplementation.

An individual may make use of Federal educational loan funds or V.A. benefits when permitted by those programs as described in Section G.1.e. below.

c. Compensation

It is recognized that fellows may seek part-time employment coincidental to their training program in order to further offset their expenses. In circumstances of actual employment, the funds provided as compensation (salary or tuition remission) for services rendered, such as teaching or laboratory assistance, are not considered stipend supplementation. Funds characterized as compensation may be paid to fellows when there is an employer-employee relationship, the payments are for services rendered, and the situation otherwise meets the conditions of the compensation of students as detailed in the PHS Grants Policy Statement. Under these conditions fellows may be compensated for actual employment on Federal grants, including PHS research grants. However, it is expected that compensation from research grants will occur on a limited part-time basis for employment apart from the normal training activities which generally require a minimum of 40 hours per week (see Section E).

Compensation may not be paid from a research grant which supports the same research that is part of the fellow's planned training experience as approved in the fellowship application. Fellowship sponsors must approve all instances of employment on research grants in order to verify that the circumstances will not detract from or prolong the approved training program.

Under no circumstances may the conditions of stipend supplementation or the services provided for compensation interfere with, detract from, or prolong the fellow's approved NRSA training program. Additionally, compensation must be in accordance with institutional policies applied consistently to both federally and non-federally supported activities and supported by acceptable accounting records determined by the employer-employee relationship agreement.

d. Concurrent Benefits

National Research Service Award may not be held concurrently with another Federally-sponsored fellowship or similar Federal award which provides a stipend or otherwise duplicates provisions of the NRSA.

e. Educational Loans or GI Bill

An individual may accept concurrent educational remuneration from the Veterans Administration (GI Bill) and Federal educational loan funds. Such funds are not considered supplementation or compensation.

f. Taxability of Stipends

Section 117 of the Internal Revenue Code applies to the tax treatment of scholarships and fellowships. The Tax Reform Act of 1986, Public Law 99-514, impacts on the tax liability of all individuals supported under the NRSA program. New statutory requirements were effective as of January 1, 1987. Degree candidates may now exclude from gross income (for tax purposes) any amount used for course tuition and related expenses such as fees, books, supplies and equipment required for courses of instruction at a qualified educational organization. Non-degree candidates are now required to report as gross income all stipends and any monies paid on their behalf for course tuition and fees required for attendance.

The taxability of stipends, however, in no way alters the relationship between NRSA fellows and sponsoring institutions. NRSA stipends are not considered salaries. In addition, fellows supported under the NRSA are not considered to be in an employee-employer relationship with the NIH or the sponsoring institution. It must be emphasized that the interpretation and implementation of the tax laws are the domain of the Internal Revenue Service and the courts. NIH takes no position on what the status may be for a particular taxpayer, and it does not have the authority to dispense tax advice. Individuals should consult their local IRS office about the applicability of the law to their situation and for information on their tax obligations.

g. Form 1099

Since stipends are not considered salaries, for the purposes of income tax reporting, stipend payments should be reported on the IRS Form 1099, Statement of Miscellaneous Income. The business office of the sponsoring institution will be responsible for the annual preparation and issuance of the IRS Form 1099 for fellows paid through the institution. NIH will issue the subject form for all fellows paid directly by them (e.g., fellows training at Federal or foreign laboratories).

h. Employee Benefits

Since NRSA awards are not provided as a condition of employment with either the Federal government or the sponsoring institution, it is inappropriate and unallowable for institutions to seek funds for or to charge individual fellowship awards for costs that would normally be associated with employee benefits (for example, FICA, workman's compensation, and unemployment insurance).

2. Other Costs

a. Institutional Allowance

An institutional allowance to help support the costs of training is awarded. Interested applicants should consult the NIH program announcement(s) regarding the specific level of allowance for predoctoral and postdoctoral support, including those individuals training at Federal laboratories, for-profit, or foreign institutions. Allowance levels are published in the NIH Guide for Grants and Contracts. Current institutional allowance levels are found in Appendix 1. Beginning in FY 1997, for postdoctoral fellowships, costs for tuition and fees, where appropriate, will be awarded independent from the institutional allowance. (See Section 2.b for details on tuition reimbursement.)

(1) Allowable Costs for Sponsoring Institutions

The type of sponsoring institution dictates what allowable costs may be charged to this category and how the funds are administered.

(a) Non-Federal public and private nonprofit institutions

The allowance is intended to defray such expenses for the individual fellow as research supplies, equipment, travel to scientific meetings, health insurance and to otherwise offset, insofar as possible, appropriate administrative costs of graduate training. Funds are paid directly to and administered by the sponsoring institution.

(b) Federal laboratories

The allowance is intended to cover the costs of scientific meeting travel, health insurance, or books. Funds are administered by the awarding component and disbursed from OFM.

(c) For-profit institutions

The allowance is intended to cover the costs of scientific meeting travel, health insurance, or books. Funds are paid directly to and administered by the sponsoring institution.

(d) Foreign institutions

The allowance is intended to defray such expenses as research supplies, equipment, travel to scientific meetings, health insurance and to otherwise offset, insofar as possible, appropriate administrative costs of graduate training. Funds are paid directly to and administered by the sponsoring institution.

(2) Guidelines

The following are specific guidelines for the use of the institutional allowance:

(a) Health Insurance

A fellow's health insurance is an allowable cost only if required of all persons in a similar training status regardless of the source of support. Family health insurance is not an appropriate charge; however, the individual may elect personally to pay the differential between self-only and family health insurance options.

(b) Travel

1) Payment for travel to scientific meetings is appropriate when it is necessary to the individual's training.

2) For fellows at Federal laboratories, reimbursement of travel costs is in accordance with current Government regulations.

3) Funds may not be expended to cover the costs of travel between the fellow's place of residence and the domestic training institution, except that the grantee institution may authorize the cost of a one-way travel allowance in an individual case of extreme hardship.

(c) Extraordinary Costs:

Additional funds may be requested by the institution when the training of a fellow involves extraordinary costs for:

- 1) travel to field sites remote from the sponsoring institution; or
- 2) accommodations for fellows who are disabled, as defined by the Americans With Disabilities Act.

The funds requested for extraordinary costs must be reasonable in relationship to the total dollars awarded under a fellowship and must be directly related to the approved research training project. Such additional funds shall be provided only in exceptional circumstances which are fully justified and explained by the institution.

(3) Expenditure

Except for fellows at Federal training sites, the sponsoring institution authorizes the expenditure of the allowance on behalf of the fellow according to the institutional policy. The institution is entitled to expend up to the full institutional allowance upon official activation of the award. However, if an individual fellow is not in a training status for more than six months of the award year, only one-half of that year's allowance may be charged to the grant. The Notice of Research Fellowship Award will be revised and the balance must be refunded to the PHS.

For fellows at Federal training sites, the awarding component authorizes the expenditure of the allowance. Payment is made through the OFM.

b. Tuition and Fees

Tuition and fees for postdoctoral fellows are limited to those for specific courses required by the training program and must receive prior approval from the awarding component. For the purposes of calculating this budget item, health insurance is not included since it is still awarded as part of the institutional allowance.

For predoctoral fellows, reimbursement of tuition and fees (including health insurance) varies depending on the policy of the NIH awarding component. Specific programmatic guidelines should be consulted for reimbursement guidance. Reimbursement of tuition and fees changed with awards competing in FY97. See Appendix 1 for details.

c. Travel to Foreign Training Sites

For fellows at foreign training sites, in addition to the institutional allowance, awards may include a single economy or coach round-trip travel fare. No allowance is provided for dependents. U.S. flag air carriers must be used to the maximum extent possible when commercial air

transportation is the means of travel between the United States and a foreign country or between foreign countries. This requirement shall not be influenced by factors of cost, convenience, or personal travel preference.

H. Reporting Procedures

The following documents are critical to the process of establishing the payment of stipends and other costs, as well as the determination of possible payback service.

1. Activation Notice (Form PHS 416-5, See Appendix 3)

Immediately upon the initiation of training, the individual completes and signs the Activation Notice, obtains the signature of the designated sponsoring institution officials, and forwards the notice along with the Payback Agreement (postdoctoral fellows in their first 12 months of NRSA support only) to the NIH awarding component. An Activation Notice is enclosed with all competing awards.

For fellows paid directly by NIH, the Activation Notice is required at the start of each award year. The forms should not be submitted before he or she actually begins training. Stipend checks are issued when both the Activation Notice and the Payback Agreement (postdoctoral fellows in their first 12 months of NRSA support only) are received by the awarding component.

For fellows whose stipend is paid through the institution, the Activation Notice is required for the initial year only. The Notice may be submitted up to 30 days before the individual begins training if necessary for payroll purposes. However, the institution must not release any funds until the individual has actually started training. Furthermore, if the individual does not begin research training on the day indicated, the institution must notify the NIH awarding component immediately. Continuation awards must be activated on the day following termination of the previous award period.

Upon receipt of the Activation Notice, the awarding component enters the activation date into the NIH system. The original is retained in the official file.

2. Payback Agreement (Form PHS 6031, See Appendix 5)

A National Research Service Award Payback Agreement must be signed by each person who is to receive an individual postdoctoral fellowship that covers their initial 12 months of NRSA postdoctoral support. This form is retained along with the Activation Notice in the official file. If the

individual has already received 12 months of postdoctoral NRSA support under any grant or award, this form is not required.

For detail on NRSA payback, see Section IV.

3. Termination Notice (Form PHS 416-7, See Appendix 6)

a. Request

The Termination Notice (along with the Activation Notice and the Notice of Research Fellowship Award) is the basis for establishing the amount of payback obligation for each NRSA fellow. For individual fellowships, a Termination Notice is sent to the fellow by the awarding component prior to the scheduled termination date. For early terminations, the forms will be issued immediately upon receipt of notification from the fellow or an authorized institutional official. This form must be completed and returned to the awarding component immediately. The lack of timely and accurate information on this form could adversely affect the payback process.

b. Termination Follow-up

If the awarding component has not received a Termination Notice within 30 days of termination, follow-up should be done through the fellowship sponsor. The sponsor should be requested to have the fellow complete the Termination Notice within a second 30-day period. If the individual cannot be located, the sponsor is requested to complete the Termination Notice immediately and return it to the awarding component. All items are to be completed except in the latter situation, the section titled Signature of Fellow/Trainee. In this section, the sponsor should indicate "Fellow Unavailable for Signature." The best available address for the fellow should be included.

c. "Proxy" Termination Notice

If it is impossible to obtain a Termination Notice from either the fellow or the sponsoring institution, a "proxy" Termination Notice should be prepared by the awarding component. Thorough documentation regarding the efforts made to secure the Termination Notice should be maintained. The form should be completed with as much information as possible and appropriately annotated to substantiate the circumstances. Using the last known address, a copy of the Termination Notice should be mailed with a covering letter to the fellow. The letter should explain the future actions and responsibilities in fulfilling the payback obligation, if any.

d. Validation and Distribution of the Termination Notice

(1) The awarding component reviews each Termination Notice for accuracy and completeness and verifies the amount of stipend support and the number of months of support. If inaccuracies are found in a Termination Notice it should be returned to the sponsoring institution for revision. Such inaccuracies can include improper signatures, lack of initialed corrections, incorrect stipend amounts and/or incorrect period of support.

(2) After assuring completeness and accuracy of all information, the awarding component:

(a) may send a validated copy of the Termination Notice to the fellow.

If the individual received NRSA support prior to June 10, 1993 and had a total of 12 months or less of NRSA support, he or she must be informed that there is no payback obligation. If a payback obligation does exist and the fellow did not complete the notice, a letter accompanies the validated copy indicating that a payback obligation has been established based on NIH records and the Termination Notice which was prepared in conjunction with the sponsoring institution.

(b) enters the data from the Termination Notice into the IMPAC I/II File.

By entering the Termination Notice information, a mailer is automatically generated and mailed by staff in the Office of Extramural Research (OER) to each fellow acknowledging receipt of the Termination Notice and requesting that any change in name, address or social security number be reported to the cognizant awarding component.

(c) maintains the validated original Termination Notice in the individual payback record.

This file may include the Payback Agreement and Activation Notice as well as other documents relevant to the payback process.

(3) The validation and distribution of copies should be completed within a maximum of 90 days after termination.

4. Consecutive Support

- a. If a fellow switches from one NRSA grant mechanism to another, including from one awarding component to another, the requirement for payback service incurred is deferred until the total NRSA support is completed. All fellowship applications are reviewed to determine if previous NRSA support has been provided. Previous NRSA support can be verified by checking the NRSA record in IMPAC. When consecutive support is provided by a different awarding component, that component updates the record in the IMPAC system. As additional verification, the Data Integrity Unit (DIU), OER notifies both awarding components of consecutive support when a subsequent Termination Notice is entered into the IMPAC I/II File.
- b. The original awarding component provides the pertinent original of the Statement of Appointment or Activation Notice, Payback Agreement, Termination Notice, and Fellowship Award Notice, when applicable, as well as any validated APACs to the gaining awarding component. That component is responsible for monitoring the payback obligation for the fellow's total period of support even if all the obligation was incurred while supported by the original awarding component.

I. Progress Reports, Financial Status Reports, Changes in the Project

1. Progress Reports

Progress reports must be submitted with all applications for non-competing continuation support in accordance with the instructions accompanying the application forms. Inadequate or incomplete progress reports may be returned to the fellow for revision and may result in a delay of continued support. For individual awards the final progress report is required as part of the Termination Notice.

2. Financial Status Report

An annual or final Financial Status Report is not required on individual awards. In the event of early termination, the stipend will be prorated according to the amount of time spent in training and the Notice of Research Fellowship Award will be revised. The balance of any institutional allowance (at least 1/2) must be refunded if the training has been for six months or less.

3. Changes in the Project

Individual awards are made for training at a specific institution under the guidance of a particular sponsor. A transfer of the award to another institution or a change in sponsor and/or project requires the approval of the NIH awarding

component. As part of that approval process, if a fellow sponsored by a domestic non-Federal institution requests a transfer to another domestic non-Federal institution before the end of the current award year, the initial institution may be requested to continue to pay the stipend until the end of the current year. Disposition of the institutional allowance is negotiable between the two sponsoring institutions.

Transfers involving Federal or Foreign sponsoring institutions require unique administrative procedures and approvals. Regardless of the type of sponsoring institution involved, since each transfer varies depending upon individual circumstances, the NIH awarding component should be contacted for specific guidance.

Any proposed change in the individual's specified area of research training must be reviewed and approved in writing by the awarding component to assure that the training continues to be an area that falls within the scientific area of the original peer reviewed application.

An interim sponsor must be named by the institution and approved in writing by the awarding component when the sponsor is going to be absent for a period of more than three months.

J. Other Terms and Conditions

1. Leave

a. Vacations and Holidays

Fellows may receive the same vacations and holidays available to individuals in comparable training positions at the grantee or sponsoring institution. Fellows shall continue to receive stipends during vacations and holidays. At academic institutions, the time between semesters or academic quarters is generally considered an active part of the training period.

b. Sick Leave and Other Leave

Fellows may continue to receive stipends for up to 15 calendar days of sick leave per year. Under exceptional circumstances, this period may be extended by the awarding component in response to a written request from the sponsor, countersigned by an authorized institutional official. Sick leave may be used for the medical conditions related to pregnancy and childbirth pursuant to the Pregnancy Discrimination Act (42 USC 2000 e(k)).

c. Parental Leave

Fellows may also receive stipends for up to 30 calendar days of parental leave per year for the adoption or the birth of a child when those in comparable training positions at the grantee or sponsoring institution have access to paid leave for this purpose. Either parent is eligible for parental leave. In the case of individual fellowships, the use of parental leave requires approval by the sponsor.

A period of terminal leave is not permitted and payment may not be made from grant funds for leave not taken.

d. Unpaid Leave

Individuals requiring extended periods of time away from their research training experience, which could include more than 15 calendar days of sick leave or more than 30 calendar days of parental leave must seek approval for an unpaid leave of absence. Approval for a leave of absence must be requested in advance from the awarding component. Fellows must provide a letter of support from the sponsor, countersigned by an authorized institutional official, and must advise the awarding component of the dates of the leave of absence. Upon approval of the request, the awarding component will issue a revised Notice of Research Fellowship Award extending the termination date of the current budget period by the number of months of the leave. A restriction will be included in the Terms and Conditions of the award precluding the expenditure of funds from the fellowship during the period of the leave of absence.

During a leave of absence, documentation to suspend the award and/or the accrual of service for calculating the payback obligation must be completed.

2. Termination

An individual award may be terminated prior to its normal expiration date at the written request of the recipient, or by the Director, NIH, if it is found that the recipient has materially failed to comply with the terms and conditions of the award or to carry out the purpose for which it was made. In the event an award is terminated for cause, the Director shall notify the awardee in writing of this determination, the reasons therefore, the effective date, and the right to appeal the decision.

3. Publications

Fellows are encouraged to submit reports of their findings for publication to the journals of their choice. Responsibility for direction of the project should not be

ascribed to NIH. Awarding component support must be acknowledged by a footnote in language similar to the following: "This Investigation was supported by National Institutes of Health, National Research Service Award (number) from the (awarding component) ." In addition, it is now mandated that all grantees funded with Federal dollars, in whole or in part, acknowledge Federal funding when issuing statements, press releases, requests for proposals, bid solicitations and other documents. Grantees are required to state (1) the percentage and dollar amounts of the total program or project costs financed with Federal money, and (2) the percentage and dollar amount of the total costs financed by nongovernmental sources.

4. Copyright

Except as otherwise provided in the conditions of the award, when publications or similar copyrightable materials are developed from work supported by NIH the author is free to arrange for copyright without awarding component approval. Any such copyrighted material shall be subject to royalty-free, nonexclusive, and irrevocable license to the Government to reproduce them, translate them, publish them, use and dispose of them, and to authorize others to do so for Government purposes.

5. Patents

No fellowship grant made by PHS primarily to an awardee for educational purposes will contain any provision giving PHS any rights to inventions made by the awardee.

6. Disposition of Professional Fees

Fees resulting from clinical practice, professional consultation, or other comparable activities performed pursuant to the purpose of the award may not be retained by the fellow. Such fees will be assigned to the sponsoring institution for disposition in accordance with PHS policy on grant related income. The term professional fees does not apply to honoraria, fees for scholarly writing, delivery of occasional outside lectures, or service in an advisory capacity to public or private nonprofit organizations. These fees, if within institutional policy, may be retained by the awardee.

7. Human Subjects/Animal Welfare/Recombinant DNA

a. Human Subjects

The DHHS regulations for the protection of human subjects provides a systematic means, based on established, internationally recognized ethical principles, to safeguard the rights and welfare of individuals who participate as subjects in research activities supported or conducted by the

DHHS. The regulations stipulate that the sponsoring institution, whether domestic or foreign, bears responsibility for safeguarding the rights and welfare of human subjects in DHHS-supported research activities. The regulations require that the sponsoring institution file a written Assurance of Compliance with the Office of Protection for Research Risks (OPRR).

If a project involves nonexempt human subjects, certification that an appropriate Institutional Review board has reviewed and approved the proposed activity is also required.

b. Vertebrate Animals

The PHS Policy on Humane Care and Use of Laboratory Animals requires that sponsoring institutions (foreign or domestic) proposing to use vertebrate animals file a written Animal Welfare Assurance with the OPRR, establishing appropriate policies and procedures to ensure the humane care and use of live vertebrate animals involved in research activities supported by PHS. Verification of the date the Institutional Animal Care and Use Committee approved the project is also required.

For additional information on either Human Subjects or Vertebrate Animals please refer to the Individual NRSA application kit or contact the Office for Protection from Research Risks, National Institutes of Health, 6100 Executive Blvd., Bethesda, Maryland 20892, Telephone: (301) 496-7163.

c. Recombinant DNA

The current NIH Guidelines for Research Involving Recombinant DNA Molecules and announcements of modifications and changes to the Guidelines are available from the Office of Recombinant DNA Activities, National Institutes of Health, Bethesda, Maryland 20892. All research involving recombinant DNA techniques that is supported by the DHHS must meet the requirements of these Guidelines.

III. Institutional National Research Service Awards (Training Grants)

A. General

The National Institutes of Health (NIH) will award National Research Service Award (NRSA) Institutional Training Grants (T32s, T34s, & T35s) to eligible institutions to develop or enhance research training opportunities for individuals, selected by the institution, who are training for careers in specified areas of biomedical and behavioral research. The purpose of the NRSA program is to help ensure that highly trained scientists are available in adequate numbers and in the appropriate research areas and fields to carry out the Nation's biomedical and behavioral research agenda. The NRSA

program supports both predoctoral and postdoctoral research training as well as limited specialized support at the prebaccalaureate level. Note, all NIH awarding components except the Fogarty International Center (FIC) and the National Library of Medicine (NLM) make institutional awards under NRSA. FIC & NLM have unique funding authorities for training grants that are not under the NRSA.

1. Eligibility

a. Applicant Eligibility

A domestic, non-profit public or private institution may apply for a grant to support a research training program in a specified area(s) of research. Support for predoctoral, postdoctoral, or a combination of trainees may be requested. (Specific program announcements should be referred to for awarding component guidelines.) Support for short-term training positions for students in health-professional degree programs may also be requested as indicated under 2.c. below. Each applicant institution must submit an application according to instructions, using the appropriate forms (see Section B).

b. Research Areas

National Research Service Awards may be made for research training in areas which fall within the mission of the NIH awarding components. Applications which do not fit these areas will be returned. An increased emphasis has been placed on the research training of physicians. The Secretary, DHHS is required by law, in taking into account the overall national needs for biomedical research personnel, to give special consideration to physicians who agree to undertake a minimum of two consecutive years of biomedical and behavioral research training.

The applicant institution must have a strong research program in the area(s) proposed for research training and must have the requisite staff and facilities required to carry out the proposed program. The research training program director at the grantee institution will be responsible for the selection and appointment of trainees and the overall direction of the training program. In selecting trainees, the program director must make certain that individuals receiving support meet the eligibility requirements set forth in these guidelines.

Trainees appointed to the training program must have the opportunity to carry out supervised biomedical or behavioral research with the primary objective of developing or extending their research skills and knowledge in preparation for a research career.

c. Research Training Program

The National Research Service Award must be used to support a program of research training. The NRSA may not support studies leading to the M.D., D.O., D.D.S., D.V.M., or other clinical, health professional degrees; nor to support residencies, the primary purpose of which is the attainment of a medical or nursing specialty. Research trainees in clinical areas are expected to devote full time to the proposed research training. During the 40 hours per week required for research training, any clinical duties should be confined to those which are part of the research training.

2. Degree Requirements

a. Predoctoral Training

Predoctoral research training is for individuals who have a baccalaureate degree and are enrolled in a doctoral program leading to either the Ph.D. degree, a comparable research doctoral degree, or the combined M.D./Ph.D. Students enrolled in health-professional programs that are not part of a formal, combined program (i.e., M.D./Ph.D.) and who wish to postpone their professional studies in order to gain research experience, may also be appointed to a T32 grant. Predoctoral research training must emphasize fundamental training in areas of basic biomedical and behavioral sciences.

b. Postdoctoral Training

Postdoctoral research training is for individuals who have received a Ph.D., an M.D., or comparable doctoral degree from an accredited domestic or foreign institution. Research training at the postdoctoral level must emphasize specialized training to meet national research priorities in the biomedical and behavioral sciences.

Research training grants are a desirable mechanism for the postdoctoral training of physicians and other health professionals who may have had extensive clinical training but limited research experience. For such individuals, the training may be a part of a research degree program. In all cases, health-professional postdoctoral trainees should agree to engage in at least 2 years of research, research training, or comparable experiences beginning at the time of appointment since the duration of training has been shown to be strongly correlated with post-training research activity.

c. Short-Term Research Training

Students in Health Professional Schools NIH offers two short-term training programs; those which are part of a traditional institutional

training grant (T32) and those which exclusively support short-term trainees (T35). These short-term research training experiences of two to three months are available to students in health professional schools. All short-term training must be full-time. Unless otherwise stated, provisions for institutional training grants apply. See Appendix 1 for current stipend levels.

(1) T32

T32 applications may include a request for short-term positions reserved specifically to train medical or other health-professional students on a full-time basis during the summer or other "off-quarter" periods. Short-term appointments are intended to provide health-professional students with opportunities to participate in biomedical and/or behavioral research in an effort to attract these individuals into research careers.

To be eligible for short-term research training positions, health-professional students must have completed at least one quarter at an accredited health-professional school leading to a clinical doctorate prior to participating in the program. Trainees need not be enrolled at the applicant institution.

Individuals matriculated in a formal research degree program, or those holding an M.S., a Ph.D., an M.D./Ph.D. or an equivalent graduate level research degree are not eligible. Within schools of pharmacy, only individuals who are candidates for the Pharm. D. degree are eligible.

Short-term positions should be longer than 2 months but may not last longer than 3 months. Students should be encouraged to obtain two or more periods of short-term research training during their studies leading to a health-professional degree. Such appointments may be consecutive or may be reserved for summers or other "off-quarter" periods.

Since some NIH institutes support short-term research training positions on a limited basis, applicants are strongly urged to contact the appropriate NIH awarding component before requesting short-term research training positions as part of a T32 application.

(2) T35

Several NIH awarding components provide short-term research using a separate training grant mechanism (T35). The program intent and student eligibility requirements are similar to those indicated above. However, since this NRSA funding mechanism is used by only a few NIH awarding components, interested applicants are encouraged to contact specific awarding components for details.

d. Prebaccalaureate Training

Under the auspices of the institutional undergraduate NRSA (T34) two distinct programs for prebaccalaureate training are offered. Both programs are designed to support students from institutions with a substantial minority enrollment.

(1) The National Institute of General Medical Sciences (NIGMS) administers the MARC Undergraduate Student Training and Research (U*STAR) program.

Formerly known as Honors Undergraduate Research Training Program (HURT), this training program is designed to support selected junior/senior undergraduate honors students at baccalaureate colleges and universities.

The NIGMS recognizes that because of the heterogeneity at minority institutions there are differences in institutional missions. Therefore, the emphasis of this program will be on the specific objectives and measurable goals which the applicant institution sets for itself as being achievable. For more information on this program, contact:

MARC Program, NIGMS
Room 2AS.37D
45 Center Drive MSC 6200
Bethesda, Maryland 20892-6200

Phone: (301) 594-3900

Fax: (301) 480-2753

(2) The National Institute of Mental Health (NIMH) administers the Career Opportunities in Research (COR) Education and Training Program.

The intent of this program is to strengthen research and research training experiences in scientific disciplines related to mental health. An applicant institution (a four-year college or university) must propose a two-year COR Honors Undergraduate Program for which six to ten highly talented third and fourth-year undergraduate students will be selected. Students will be provided with special research training experiences designed to improve their qualifications for entry into advanced research training

programs leading to the doctoral-level or M.D. research career degrees.
For more information on this program contact:

COR Program Office of Special
Populations/NIMH
Parklawn Building, Room 17C14
Rockville, Maryland 20852

Ph: (301) 443-2847

3. Citizenship

The individual to be trained must be a citizen or a non-citizen national of the United States or have been lawfully admitted for permanent residence at the time of appointment. A non-citizen national is a person, who, although not a citizen of the United States, owes permanent allegiance to the U.S. They are generally persons born in outlying possessions of the United States (e.g.; American Samoa and Swains Island). Individuals who have been lawfully admitted for permanent residence must be in possession of a currently valid Alien Registration Receipt Card (I-551), or must be in possession of other legal verification of such status. For example, if an individual is in possession of the proper validation on their passport, a notarized photocopy of the passport could suffice. Since there is a six-month limitation on this validation, it is the responsibility of the grantee institution to follow-up and assure that the individual received the I-551 prior to the six month expiration date.

A notarized statement verifying possession of permanent residency documentation must be submitted with the Statement of Appointment Form (PHS Form 2271). Individuals on temporary or student visas are not eligible for support from the NRSA.

B. Applications and Receipt Dates

1. Application

The application for the institutional training grant is Form PHS 398. It contains special instructions for Institutional National Research Service Awards.

Application kits containing forms, instructions, and related information may be obtained from:

The Division of Extramural Outreach and Information
Resources, OER, NIH
6701 Rockledge Drive, MSC 7910
Bethesda, MD 20892-7910

Phone: (301)-435-0714

E-mail: asknih@odrockm1.od.nih.gov

2. Receipt Dates

Many of the NIH awarding components receive training grant applications three times each year. Some awarding components have only one or two receipt date(s). Information on receipt dates is available in the NIH-wide T32 Information Statement or in RFAs issued by the individual awarding components. See Appendix 2 for a complete listing of the current receipt dates and review cycle. Applicants are encouraged to contact appropriate NIH staff before preparing and submitting an application.

C. Review

1. Overall

Each initial and competing continuation application will be evaluated for scientific merit by a NIH peer review group. Institutional applications must also be reviewed by the appropriate Council or Board of the awarding component whose activities relate to the proposed research training. Institutional applications will be evaluated using criteria such as: a) past research training record of both the program and the designated preceptors; b) objectives, design, and direction of the research training program; c) caliber of preceptors as researchers including successful competition for research support; d) recruitment and selection plans for trainees and the availability of high quality candidates; and e) the institutional training environment including the level of institutional commitment, quality of the facilities, availability of appropriate courses, and the availability of research support.

In addition, where appropriate, the record of the research training program in retaining health-professional postdoctoral trainees for at least two years in research training or other research activities; and the concomitant training of health-professional postdoctorates (e.g., individuals with the M.D., D.O., D.D.S.) with basic science postdoctorates (e.g., individuals with a Ph.D., Sc.D.) or linkages with basic science departments will receive special consideration.

While overall criteria are described above, applicants are encouraged to consult the PHS 398 application kit, the NIH T32 program announcement and/or specific awarding component program announcements for specific details.

2. Short-Term Research Training Positions

In addition to the overall program criteria described above, applications that request short-term research training positions in conjunction with full-time positions will also be assessed using specific criteria. The NIH T32 program announcement and/or specific awarding component program announcements should be consulted for details.

3. Minority Recruitment Plan

The NRSA institutional training grant program must provide for the recruitment and retention of individuals from underrepresented minority groups including, but not limited to, African Americans, Hispanics Americans, Native Americans, Alaskan Natives and Pacific Islanders. All competing applications for institutional NRSA research training grants must include a specific plan to recruit minorities, and competing continuation applications also must include a report on the recruitment and retention record during the previous award period. If an application is received without a plan, or without a report on the previous award period, the application will be considered incomplete and may be returned to the applicant without review. Additional information on this requirement is available in the NIH T32 Program Announcement.

Competing continuation applications for research training grants must include a detailed section on the outcomes of the minority recruitment plan proposed in the previous competing application. Information must be included on successful and unsuccessful recruitment strategies. The report should provide information on the racial/ethnic distribution of:

- students and/or postdoctorates in the department(s) relevant to the training grant;
- individuals who applied for research training;
- individuals who were offered admission; and
- individuals who were appointed to the research training grant.

For those trainees who were appointed to the grant, the report should include information about the duration of research training and whether those trainees have finished their training in good standing.

Peer reviewers will examine and evaluate the minority recruitment plan and any record of recruitment and retention after the overall educational and technical merit of an application has been assessed so that the quality of the plan will not be a factor in determining the priority score. For competing continuation

applications, the reviewers will examine and evaluate the record of the program in recruiting and retaining underrepresented minority trainees during the previous award period. The panel also will consider whether the experience in recruitment during the previous award period has been incorporated into the formulation of the recruitment plan for the next award period.

The findings of the panel will be included in an administrative note in the summary statement. If the minority recruitment plan of the application is judged to be unacceptable, funding will be withheld until a revised plan that addresses the deficiencies is received. Staff within the NIH awarding component, with guidance from the appropriate national advisory committee or council, will determine whether amended plans and reports submitted after the initial review are acceptable.

Information on the recruitment and retention of underrepresented minority trainees appointed during the previous period must also be provided in progress reports included in all non-competing applications.

4. Training in the Responsible Conduct of Research Training

All competing NRSA institutional training grant applications must include a description of the formal and informal activities related to instruction on the responsible conduct of research that will be incorporated into the proposed research training program. Every prebaccalaureate, pre and postdoctoral NRSA trainee must receive instruction on the responsible conduct of research. Applications must include a description of a program to provide formal or informal instruction in scientific integrity and/or the responsible conduct of research. Applications without plans for instruction in the responsible conduct of research will be considered incomplete and may be returned to the applicant without review.

- Although the NIH does not establish specific curricula or formal requirements, all programs are encouraged strongly to consider instruction in the following areas: conflict of interest, responsible authorship, policies for handling misconduct, policies regarding the use of human and animal subjects, and data management. Within the context of training in scientific integrity it is also beneficial to discuss the mutual responsibilities of the institution and the trainees participating in the program.
- Plans must address the subject matter of the instruction, the format of the instruction, the degree of faculty participation, trainee attendance requirements, and the frequency of instruction.
- The rationale for the proposed plan of instruction must be provided.
- Program reports on the type of instruction provided, topics covered, and other relevant information, such as attendance by trainees and faculty participation, must be included in future competing continuation and noncompeting applications.

The NIH encourages institutions to provide instruction in the responsible conduct of research to all individuals in a training program or department, regardless of the source of support.

NIH initial review groups will assess the applicant's plans on the basis of the appropriateness of topics, format, amount and nature of faculty participation, and the frequency and duration of instruction. The plan will be discussed after the overall determination of merit, so that the quality of the plan will not be a factor in the determination of the priority score. Plans will be judged as acceptable or unacceptable. The acceptability of the plan will be described in an administrative note on the summary statement. Regardless of the priority score, applications with unacceptable plans will not be funded until a revised, acceptable plan is provided by the applicant. The acceptability of the revised plan will be judged by staff within the NIH awarding component.

Following initial review, applications undergo a second level review by the appropriate NIH institute or center council, board, or other advisory group. These advisory groups will consider, in addition to the assessment of the scientific and educational merit of the research training grant application, the initial review group's comments on the recruitment of individuals from underrepresented minority groups into the research training program and the plan for instruction in the responsible conduct of research.

Information on the nature of the instructions in the responsible conduct of science and the extent of trainee and faculty participation must also be provided in progress reports included in all non-competing applications.

D. Notification of Action

Shortly after the initial review meeting, each applicant will be sent a mailer that includes the SRG recommendation/priority score and the name of a program official in the assigned NIH awarding component. The awarding component automatically forwards a copy of the summary statement to the applicant as soon as possible after receipt from the SRG. The applicant will be notified by letter concerning the final review recommendation. A Notice of Grant Award will be issued to applicants selected for funding. Any questions about initial review recommendations and funding possibilities should be directed to the appropriate awarding component program official, not the scientific review administrator of the SRG.

E. Period of Support

1. Institutional Grants

Grants may be made for competitive segments of up to five years and are renewable. Awards within an approved competitive segment are normally made

in 12-month increments with support for additional non-competitive years dependent upon satisfactory progress and availability of funds.

2. Trainees

a. Trainees are customarily appointed for full-time 12-month continuous periods. An appointment or reappointment may not exceed 12 months without prior approval by the NIH awarding component. All trainees are required to pursue their research training on a full-time basis, normally defined as 40 hours per week or as specified by the grantee institution in accordance with its own policies. The amount of the stipend, tuition and fees for each full period of appointment must be obligated from funds available at the time the individual begins training unless other instructions are furnished by the awarding component.

b. With the exception of specifically designated short-term research training positions, no trainee may be appointed under a regular institutional grant for a period of less than nine months except with the prior written approval of the awarding component and then usually only to complete a planned program of training. An initial appointment of less than nine months may be allowed as long as an assurance is included that the individual will be immediately reappointed in the subsequent year so that the cumulative continuous training period is at least nine months.

3. NRSA Limitations

No individual trainee may receive more than five years of aggregate NRSA support at the predoctoral level and three years of aggregate NRSA support at the postdoctoral level, including any combination of support from institutional and individual awards. Any exception to this requires a waiver from the Director of the awarding component or designee based on review of justification from the individual and grantee institution. The for approving extensions of support are as follows:

a. Physicians/Clinicians

Individuals requiring additional time to complete training, either as a participant in a combined M.D.-Ph.D. program or as clinicians (e.g., physicians, dentists, veterinarians) who are completing postdoctoral research training, may anticipate favorable consideration of a request for waiver of the time limitation. This action is contingent upon certification of the recipient's good academic standing and justified need for the exception to policy.

b. Interruptions (Break-in-Service)

Requests for additional time will also be considered if an event unavoidably has altered the planned course of the research training; the interruption has significantly detracted from the nature or quality of the planned research training; and if a short extension would permit completion of the training as planned. Such events include sudden loss of the preceptor's services or an accident, illness, or other personal situation which prevents a trainee from pursuing research training in an effective manner for a significant period of time. Requests for extension of support will also be considered if a short additional period would provide the trainee an opportunity to use an exceptional training resource directly related to the approved research training program.

c. Other Exceptions

Requests that do not arise from circumstances considered in 3.a or 3.b above will be considered if they are accompanied by an exceptionally strong justification. Requests must be made in writing to the NIH awarding component by the trainee. The trainee's program director and an authorized institutional official, must endorse the request certifying the need for additional support. The request must include a sound justification and specify the amount of additional support for which approval is sought.

Requests must be approved by the Director of the awarding component or designee.

F. Initiation of Support

A Notice of Grant Award is issued to the grantee institution, normally with a budget period of 12 months. A predoctoral or postdoctoral trainee may be appointed at any time during the course of the budget period for an appointment period of 9 to 12 months, without prior approval by the awarding component. At the time of the initial appointment and subsequent reappointments, the training program director must submit a Statement of Appointment Form to the awarding component. Additionally, a signed Payback Agreement must be submitted for each postdoctoral trainee who is in his/her first 12 months of NRSA postdoctoral support. (See Sections H.1. and 2 for specific information on required forms). The Statement of Appointment Form includes biographical data on the trainee and the stipend level for the period of appointment. The stipend is paid by the grantee institution directly to the trainee.

G. Financial Provisions

1. Stipends

A stipend is provided as a subsistence allowance for trainees and fellows to help defray living expenses during the research training experience. It is not provided as a condition of employment with either the Federal Government or the grantee institution. Changes in stipend levels are published in the NIH Guide for Grants and Contracts. Stipends must be paid in accordance with stipend levels set by this policy. No departure from the standard stipend schedule, as provided from the grant, may be negotiated by the grantee institution with the trainee. For appointments of less than 12 months, the stipend will be prorated.

a. Levels (Current annual stipend amounts are detailed in Appendix 1)

(1) Prebaccalaureate

Two separate levels are provided for trainees: Freshman/Sophomore or Junior/Senior.

(2) Predoctoral

One stipend level is used for all predoctoral individuals regardless of the level of experience.

(3) Postdoctoral

The stipend level for the entire first year of support is determined by the number of full years of relevant postdoctoral experience at the time of appointment. Relevant experience may include research experience (including industrial), teaching assistantship, internship, residency, clinical duties, or other time spent in a health related field beyond that of the qualifying doctoral degree.

Once the appropriate stipend level has been determined, the trainee must be paid at that level for the entire period of appointment. The stipend for each additional year of NRSA support is the next level in the stipend structure and does not change mid-year.

b. Stipend Supplementation

Trainees are supported for 12-month full-time training appointments for which they receive stipends to defray living expenses. Stipends may be supplemented by an institution from non-Federal funds provided this supplementation is without obligation to the trainee. An institution can determine what amount of stipend supplementation, if any, will be

provided according to its own formally established policies governing stipend support. These policies must be consistently applied to all individuals in a similar training status regardless of the source of funds. Federal funds may not be used for stipend supplementation unless specifically authorized under the terms of the program from which funds are derived. An individual may make use of Federal educational loan funds or V.A. benefits when permitted by those programs as described below in Section G.1.d & e.

Under no circumstances may Public Health Service (PHS) funds be used for supplementation.

c. Student Compensation

It is recognized that trainees as students may seek part-time employment coincidental to their training program in order to further offset their expenses. In circumstances of actual employment, the funds provided as compensation (salary or tuition remission) for services rendered, such as teaching or laboratory assistance, are not considered stipend supplementation. Funds characterized as compensation may be paid to trainees when there is an employer-employee relationship, the payments are for services rendered, and the situation otherwise meets the conditions of the compensation of students as detailed in the PHS Grants Policy Statement. Under these conditions trainees may be compensated for actual employment on Federal grants, including PHS research grants. However, it is expected that compensation from research grants will occur on a limited part-time basis for employment apart from the normal full-time training activities.

Compensation may not be paid from a research grant which supports the same research that is part of the trainee's planned training experience as approved in the training grant application. Institutional training grant program directors must approve all instances of employment on research grants in order to verify that the circumstances will not detract from or prolong the approved training program.

Under no circumstances may the conditions of stipend supplementation or the services provided for compensation interfere with, detract from, or prolong the trainee's approved NRSA training program. Additionally, compensation must be in accordance with institutional policies applied consistently to both federally and non-federally supported activities and supported by acceptable accounting records determined by the employer-employee relationship agreement.

d. Concurrent Benefits

A National Research Service Award may not be held concurrently with another Federally-sponsored fellowship or similar Federal award which provides a stipend or otherwise duplicates provisions of the NRSA.

e. Educational Loans or GI Bill

An individual may accept concurrent educational remuneration from the Veterans Administration (GI Bill) and Federal educational loan funds. Such funds are not considered supplementation or compensation. In the case of the MARC-USTAR program, funds from a PELL grant may be accepted as well. f. Taxability of Stipends Section 117 of the Internal Revenue Code applies to the tax treatment of scholarships and fellowships. The Tax Reform Act of 1986, Public Law 99-514, impacts on the tax liability of all individuals supported under the NRSA program. New statutory requirements were effective as of January 1, 1987.

Degree candidates may now exclude from gross income (for tax purposes) any amount used for course tuition and related expenses such as fees, books, supplies and equipment required for courses of instruction at a qualified educational organization. Non-degree candidates are now required to report as gross income all stipends and any monies paid on their behalf for course tuition and fees required for attendance.

The taxability of stipends, however, in no way alters the relationship between NRSA trainees and institutions. NRSA stipends are not considered salaries. In addition, trainees supported under the NRSA are not considered to be in an employee-employer relationship with the NIH or the grantee institution.

It must be emphasized that the interpretation and implementation of the tax laws are the domain of the Internal Revenue Service and the courts. NIH takes no position on what the status may be for a particular taxpayer, and it does not have the authority to dispense tax advice. Individuals should consult their local IRS office about the applicability of the law to their situation and for information on their tax obligations.

g. Form 1099

Since stipends are not considered salaries, for the purposes of income tax reporting, stipend payments should be reported on the IRS Form 1099, Statement of Miscellaneous Income. The business office of the grantee institution will be responsible for the annual preparation and issuance of the IRS Form 1099 for trainees.

h. Employee Benefits

Since NRSA awards are not provided as a condition of employment with either the Federal government or the grantee institution, it is inappropriate and unallowable for institutions to seek funds for or to charge institutional training grants awards for costs that would normally be associated with employee benefits (for example, FICA, workman's compensation, and unemployment insurance).

2. Other Direct Costs

a. Training Related Expenses

Funds are provided to defray such training costs as staff salaries, consultant costs, equipment, research supplies, staff travel, and other expenses directly related to the training program. Funds are requested and awarded as a lump sum on the basis of the predetermined amount per predoctoral and postdoctoral trainee approved for support. Levels are published in the NIH Guide for Grants and Contracts. Current levels are found in Appendix 1. Interested applicants should be advised to consult the program announcement regarding the specific level for programs such as the short-term training program, the MARC program, or the COR program.

Under exceptional circumstances, which can include accommodating the disabilities of a trainee, it is possible to request institutional costs above the standard rate. Requests for additional costs must be explained in detail and carefully justified in the application. Consultation with NIH program staff in advance of such requests is strongly advised.

b. Trainee Tuition and Fees

Tuition, fees, and health insurance are allowable trainee costs only if such charges are required of all persons in a similar training status at the institution, without regard to their source of support. Family health insurance is not an appropriate charge. However, the trainee may elect personally to pay the differential between self and family health insurance options. Tuition at the postdoctoral level is limited to that required for specific courses in support of the approved training program and requires prior approval of the awarding component. For the purposes of award, tuition, fees and health insurance are awarded together in a single budget category. Funds are awarded based on a formula applied to the requested level. The formula is described in Appendix 1.

c. Trainee Travel Costs

If requested by the institution, the awarding component may award grant funds to cover the costs of trainee travel including attendance at scientific meetings which the institution determines to be necessary to the individual's training. Funds may not be expended to cover the costs of travel between the trainee's place of residence and the training institution, except that the grantee institution may authorize a one-way travel allowance in an individual case of extreme hardship.

In addition, support for travel to a research training experience away from the grantee institution may be permitted. Research training experiences away from the parent institution must be justified considering the type of opportunities for training available, how these opportunities differ from those offered at the parent institution, and the relationship of the proposed experience to the trainee's career stage and career goals. This type of research training requires prior approval from the awarding component. Letters requesting such training may be submitted to the awarding component at any time during the award period.

d. Short-term

The institution may receive up to \$125 per month to offset the costs of tuition, fees, travel, supplies, and other expenses for each short-term, health-professional research training position.

3. Rebudgeting of Funds

a. Trainee Related Expenses

Expenditure and rebudgeting of funds awarded in lump sum for trainee related expenses do not require awarding component prior approval.

b. Trainee Costs

For the purposes of rebudgeting, trainee costs include stipends and tuition and fees (including health insurance). These costs may not be used for other purposes except under unusual circumstances and then only with the prior written approval of the awarding component. Rebudgeting into or within the stipends and tuition/fees categories is allowable without awarding component prior approval.

c. Trainee Travel

For the purposes of rebudgeting, trainee travel is not considered a trainee cost and, therefore, may be rebudgeted into any other budget category without prior approval.

4. Expenditure of Funds

Policies governing expenditure of all training grant funds are those permitted under the PHS Grants Policy Statement and applicable cost principles, unless otherwise indicated in the Notice of Grant Award.

5. Facilities and Administrative (F&A) Costs

Previously referred to as indirect costs, in FY96 NIH received a deviation from DHHS policy regarding the reimbursement of these costs for institutional training grants. The institution will receive F&A costs based solely on 8% of total direct costs exclusive of tuition and fees and health insurance, and expenditures for equipment.

Applications from State and local government agencies, except State universities or hospitals, may receive full F&A cost reimbursement.

6. Program Income

Policy requires applicants for PHS research grants, including training grants, to include in their grant applications an estimate of the amount and source of program income expected to be generated as a result of the project for which support is being sought. The specific policies that govern the treatment of program income are set forth in the PHS Grants Policy Statement.

H. Reporting Procedures

The following documents are critical to the process of establishing the payment of stipends and other costs, as well as the determination of possible payback service. Failure to submit the required forms in a timely manner may result in an expenditure disallowance or a delay in any continuation funding for the award.

1. Statement of Appointment (Form PHS 2271, See Appendix 4)

a. Grantee Submission

The institution must submit this form to the NIH awarding component prior to or at the start of each trainee's appointment or reappointment. No stipend or other allowance may be paid until the appointment form has been submitted. If the support covers the individual's initial 12 months of

postdoctoral support, a signed Payback Agreement must also be submitted.

It is important to note that the information on the Statement of Appointment and the Termination Notice is the basis for determination of the length or amount of an individual's payback requirement. An accurate social security number should be included on the Statement of Appointment and all other documents. The program director and the institutional financial officials should coordinate the information reported on the Statement of Appointment. It should be treated as a financial document for obligating costs (stipends) which later are reflected on the Termination Notice and as part of the total costs in the Financial Status Report. A supply of Statement of Appointment Forms (PHS 2271) is provided to the program director by the awarding component. In FY96, NIH began piloting the electronic receipt of the information on the PHS 2271. A number of grantee institutions are currently testing this system.

b. Awarding Component

Processing All records relating to NRSA support and payback are maintained in a centralized NIH computer system. This system is now interactive, thus most awarding components are responsible for establishing and maintaining these computer records. No changes are to be made to the computer record without supporting documentation.

When the awarding component receives Statement of Appointment Forms (Form 2271), the forms are reviewed for accuracy and completeness. Upon receipt and acceptance of each completed Form 2271, the awarding component establishes a computer record for each NRSA recipient by entering the data into the interactive NIH IMPAC I/II FILE. The actual form is retained as part of the official file.

c. Interim Revisions

Any changes or corrections involving a trainee appointment under an institutional grant, such as, name, permanent mailing address, period of training, stipend support, must be reported by the training program director to the awarding component on an amended PHS-2271 at the time of the change.

2. Payback Agreement (Form PHS 6031, See Appendix 5)

A National Research Service Award Payback Agreement must be signed by each postdoctoral individual for whom the appointment covers his/her initial 12 months of postdoctoral NRSA support.

If the individual has already received 12 months of postdoctoral support under any NRSA grant or award, this form is not required. No Payback Agreement is required for predoctoral or prebaccalaureate trainees. The Payback Agreement is retained along with the Statement of Appointment Form as part of the official file. For detail on NRSA payback, see Section IV.

3. Termination Notice (Form PHS 416-7, See Appendix 6)

The Termination Notice (Form 416-7) is the basis (along with the Statement of Appointment Form) for validating the total period of NRSA support and the amount of payback obligation (if any) for each NRSA trainee.

a. Requesting the Termination Notice

For an institutional award, the awarding component sends the program director a supply of Termination Notices on an annual basis. The program director is responsible for the submission of a Termination Notice on each trainee immediately upon the termination of his/her support. If an awarding component has not received a Statement of Appointment Form indicating reappointment within 30 days of the appointment anniversary, awarding component staff should determine if the trainee has terminated support or received consecutive support (see Section H.4 below) by contacting the program director. In the case of termination, a Termination Notice is requested from the program director.

b. Termination Follow-up

If an awarding component has not received a Termination Notice within 30 days of termination, follow-up should be done through training grant program director.

The program director is requested to have the trainee complete the Termination Notice within a second 30-day period, or if the individual cannot be located, the program director is requested to complete the Termination Notice immediately and return it to the awarding component. All items are to be completed except in the latter situation, the section titled Signature of Fellow/Trainee. In this section, the program director should indicate "Trainee Unavailable for Signature."

The best available address for the trainee should be included.

c. "Proxy" Termination Notice

If it is impossible to obtain a Termination Notice from either the trainee or the grantee institution, a "proxy" Termination Notice should be prepared by the awarding component. Thorough documentation regarding the efforts

made to secure the Termination Notice should be maintained. The form should be completed with as much information as possible and appropriately annotated to document the circumstances.

Using the last known address, a copy of the Termination Notice should be mailed with a covering letter to the trainee. The letter should explain the future actions and responsibilities in fulfilling the payback obligation, if any.

d. Validation and Distribution of the Termination Notice

(1) The awarding component reviews each Termination Notice for accuracy and completeness and verifies the amount of stipend support and the number of months of training. If inaccuracies are found in a Termination Notice it should be returned to the institution for revision. Such inaccuracies can include improper signatures, lack of initialed corrections, incorrect stipend amounts and/or incorrect periods of appointment.

(2) After assuring completeness and accuracy of all information, the awarding component:

(a) may send a validated copy of the Termination Notice to the trainee.

If the individual received NRSA support prior to June 10, 1993 and had a total of 12 months or less of NRSA support, he/she should be informed that there is no payback obligation. If a payback obligation does exist and if the trainee did not complete the notice, a letter accompanies the validated copy indicating that the payback obligation has been established based on NIH records and the Termination Notice which was prepared in conjunction with the grantee institution.

(b) enters the data from the Termination Notice into the IMPAC I/II File.

By entering the Termination Notice information, a mailer is automatically generated and mailed by OPERA staff to each trainee acknowledging receipt of the Termination Notice and requesting that any change in name, address or social security number be reported to the cognizant awarding component.

(c) maintains the validated original Termination Notice in the individual payback record.

His file may include the Payback Agreement and original of the Statement of Appointment as well as other documents relevant to the payback process.

(3) The validation and distribution of copies should be completed within a maximum of 90 days after termination.

4. Consecutive Support

a. If a trainee switches from one NRSA grant mechanism to another, including from one awarding component to another, the requirement for payback service incurred is deferred until the total NRSA support is completed. All Statement of Appointment forms are reviewed to determine if previous NRSA support has been provided.

Previous NRSA support can be verified by checking the NRSA record in IMPAC. When consecutive support is provided by a different awarding component, that component updates the record in the IMPAC system. As additional verification, the Data Integrity Unit (DIU), OER notifies both components of consecutive support when a subsequent Termination Notice is entered into the IMPAC I/II File.

b. The original awarding component provides the pertinent original of the Statement of Appointment or Activation Notice, Payback Agreement, Termination Notice, and Fellowship Award Notice, when applicable, as well as any validated APACs to the gaining awarding component. That component is responsible for monitoring the payback obligation for the trainee's total period of support even if all the obligation was incurred while supported by the original awarding component.

5. Verification Reports

Upon awarding component request to the DIU, a computer list identifying trainees for whom a Statement of Appointment has been received by the NIH will be mailed to program directors 60 days after the budget period end date of each institutional grant. The list must be verified by the program director and an appropriate business official and returned to the DIU within 30 days after receipt.

I. Progress Reports, Financial Status Reports, and Changes in the Project

1. Progress Reports

Progress reports must be submitted with all applications for non-competing continuation support in accordance with the instructions accompanying the application forms. Incomplete or inadequate progress reports may be returned for revision and may result in a delay of continued support. In addition, a final progress report must be submitted to the awarding component within 90 days after the end of a final competing segment of a project period.

2. Financial Status Report (FSR)

An FSR is required for all institutional grants no later than 90 days after the close of each budget period. This report will document the financial status of the grant according to the official accounting records of the grantee institution. Trainee stipends and tuition are obligated for the full 12-month appointment from the budget period in which the appointment is initiated. Portions of stipends and tuition that extend beyond the budget period are carried over as unliquidated obligations. However, the report for the final budget period must have no unliquidated obligations and must indicate the exact balance of unobligated funds.

3. Changes in the Project

- a. Changes in the program objectives as they relate to the area of research training for which the grant was approved require prior approval from the NIH awarding component.
- b. Where absence of the program director is expected to exceed a continuous period of more than three months, plans for the conduct of the program during his or her absence must be approved in writing by the awarding component. Any proposed change of program director must be requested by the grantee institution and be approved in writing by the awarding component following review of the nominee's qualifications and re-evaluation of the project in the light of the proposed change.
- c. Institutional grants are not transferred from one domestic institution to another except under most unusual circumstances. Such a change will generally be approved only if all of the major benefits attributable to the original grant can be transferred and there is no negative impact on trainees active in the program.

J. Other Terms and Conditions

1. Leave

a. Vacations and Holidays

Trainees may receive the same vacations and holidays available to individuals in comparable training positions at the grantee or sponsoring institution. Trainees shall continue to receive stipends during vacations and holidays. At academic institutions, the time between semesters or academic quarters is generally considered an active part of the training period.

b. Sick Leave and Other Leave

Trainees may continue to receive stipends for up to 15 calendar days of sick leave per year. Under exceptional circumstances, this period may be extended by the awarding component in response to a written request from the training program director or the sponsor. Sick leave may be used for the medical conditions related to pregnancy and childbirth pursuant to the Pregnancy Discrimination Act (42 USC 2000 e(k)).

c. Parental Leave

Trainees may also receive stipends for up to 30 calendar days of parental leave per year for the adoption or the birth of a child when those in comparable training positions at the grantee or sponsoring institution have access to paid leave for this purpose. Either parent is eligible for parental leave. For trainees, the use of parental leave must be approved by the training program director.

A period of terminal leave is not permitted and payment may not be made from grant funds for leave not taken.

d. Unpaid Leave

Individuals requiring extended periods of time away from their research training experience, which could include more than 15 calendar days of sick leave or more than 30 calendar days of parental leave must seek approval from the awarding component for an unpaid leave of absence. Approval for a leave of absence must be requested in advance by the training grant program director and be countersigned by an authorized institutional official.

During a leave of absence, documentation to suspend the period of appointment must be completed by submitting an amended Statement of

Appointment Form and a Termination Notice. These forms should be submitted to the awarding component at the beginning of the leave. At the resumption of NRSA support, the reappointment must be documented on another Statement of Appointment Form.

2. Termination

A training grant may be terminated prior to its normal expiration date at the written request of the recipient, or by the Director, NIH, if it is found that the recipient has materially failed to comply with the terms and conditions of the award or to carry out the purpose for which it was made. In the event an award is terminated for cause, the Director shall notify the awardee in writing of this determination, the reasons therefore, the effective date, and the right to appeal the decision.

3. Publications

Trainees are encouraged to submit reports of their findings for publication to the journals of their choice. Responsibility for direction of the project should not be ascribed to NIH. However, awarding component support must be acknowledged by a footnote in language similar to the following: "This Investigation was supported by National Institutes of Health, National Research Service Award (number) from the (awarding component) ."

In addition, it is now mandated that all grantees funded with Federal dollars, in whole or in part, acknowledge Federal funding when issuing statements, press releases, requests for proposals, bid solicitations and other documents. Grantees are required to state (1) the percentage and dollar amounts of the total program or project costs financed with Federal money, and (2) the percentage and dollar amount of the total costs financed by nongovernmental sources.

4. Copyright

Except as otherwise provided in the conditions of the award, when publications or similar copyrightable materials are developed from work supported by NIH the author is free to arrange for copyright without awarding component approval. Any such copyrighted material shall be subject to royalty-free, nonexclusive, and irrevocable license to the Government to reproduce them, translate them, publish them, use and dispose of them, and to authorize others to do so for Government purposes.

5. Patents

No training grant made by PHS primarily to an awardee for educational purposes will contain any provision giving PHS any rights to inventions made by the awardee.

6. Disposition of Professional Fees

Fees resulting from clinical practice, professional consultation, or other comparable activities performed pursuant to the purpose of the award may not be retained by the trainee/fellow. Such fees will be assigned to the grantee institution for disposition in accordance with PHS policy on grant related income. The term professional fees does not apply to honoraria, fees for scholarly writing, delivery of occasional outside lectures, or service in an advisory capacity to public or private nonprofit organizations.

These fees, if within institutional policy, may be retained by the awardee.

7. Human Subjects/Animal Welfare/Recombinant DNA

a. Human Subjects

The DHHS regulations for the protection of human subjects provides a systematic means, based on established, internationally recognized ethical principles, to safeguard the rights and welfare of individuals who participate as subjects in research activities supported or conducted by the DHHS. If the applicant organization has an approved Assurance of Compliance on file with OPRR but, at the time of application, plans for the involvement of human subjects are so indefinite that Institutional Review Board (IRB) review and approval are not feasible, the grantee should check "Yes" and insert "Indefinite" on the face page of the application. If an award is made, human subjects may not be involved until a certification of IRB approval or designation of exemption has been submitted.

In many instances, trainees supported by institutional training grants will be participating in research supported by research project grants for which the IRB review is already completed or an exemption is already designated. This review or exemption designation is sufficient, providing the research would not be substantially modified by the participation of a trainee. The appropriate grants must be identified along with their IRG review dates or exemption designation.

b. Vertebrate Animals

The PHS Policy on Humane Care and Use of Laboratory Animals requires that grantee institutions (foreign or domestic) proposing to use vertebrate animals file a written Animal Welfare Assurance with the Office for Protection from Research Risks (OPRR), establishing appropriate policies and procedures to ensure the humane care and use of live vertebrate animals involved in research activities supported by PHS. If the applicant organization has an approved Assurance of Compliance on file with

OPRR but, at the time of application, plans for the involvement of vertebrate animals are so indefinite that Institutional Animal Care and Use Committee (IACUC) review and approval are not feasible, the grantee should check "Yes" and insert "Indefinite" on the face page of the application. If an award is made, vertebrate animals may not be involved until verification of the IACUC approval date has been submitted to the NIH awarding component.

In many instances, trainees supported by institutional training grants will be participating in research supported by research project grants for which the IACUC review is already completed. This review is sufficient, providing the research would not be substantially modified by the participation of a trainee. The appropriate grants must be identified along with their IACUC review dates. For additional information on either Human Subjects or Vertebrate Animals please refer to the PHS 398 application kit or contact the Office for Protection from Research Risks, National Institutes of Health, 6100 Executive Blvd. Bethesda, Maryland 20892, Telephone: (301) 496-7163.

c. Recombinant DNA

The current NIH Guidelines for Research Involving Recombinant DNA Molecules and announcements of modifications and changes to the Guidelines are available from the Office of Recombinant DNA Activities, National Institutes of Health, Bethesda, Maryland 20892. All research involving recombinant DNA techniques that is supported by the DHHS must meet the requirements of these Guidelines.

IV. Payback Reporting Requirements for Recipients

A. Purpose and Background

The National Research Service Award (NRSA) legislation requires some recipients of support to pay back the Federal Government by engaging in health-related biomedical or behavioral research including the direct administration or review of health-related research, health-related teaching, or any combination of these activities. Recent policy changes have significantly broadened the definition of "health-related." See Section C.1.a.(3) for a complete interpretation.

The National Institutes of Health (NIH) Revitalization Act of 1993, signed into law on June 10, 1993, includes provisions in Section 1602 that substantially modify the service payback requirement for individuals supported by the NRSA. For research training grants, these new provisions are applicable to all new appointments or reappointments on or after June 10, 1993. For individual fellowships, these provisions apply to all fellowship awards beginning on or after June 10, 1993. For competing fellowships, the award beginning date refers to the award activation date.

An individual who was appointed to a research training grant or who had a fellowship award activated before June 10, 1993 would be governed by the service payback provisions in effect at the time of the appointment or award until the end of that appointment or budget period.

B. Implementation

The incurrence of a payback obligation for an NRSA recipient is solely dependent upon when NRSA support was received.

1. Prior to August 13, 1981 (enactment of the Omnibus Reconciliation Act), a payback obligation existed for all prebaccalaureate, predoctoral, and postdoctoral support received.

2. Effective August 13, 1981, a 12-month legislative allowance waiving payback obligation for the first 12 months of support was enacted for all predoctoral and postdoctoral trainees/fellows. This legislation provided that all trainees/fellows who were not in delinquent status on that date received the allowance (this was retroactive to the beginning of the NRSA program).

Individuals in delinquent status continued to have a payback obligation for all support received. This legislative change also eliminated the payback obligation for prebaccalaureate recipients. Historically, short-term trainees supported by the T35 mechanism (NRSA Short-Term Training) incurred no payback obligation. However, for short-term trainees supported within a T32 program, the period(s) of support accrued and ultimately counted toward the total NRSA support.

3. Effective June 10, 1993 (NIH Revitalization Act):

a. Predoctoral Recipients

For predoctoral trainees beginning appointments and for predoctoral fellows activating awards on or after June 10, 1993, no payback obligation is incurred. Thus a Payback Agreement Form (PHS 6031) is no longer required.

b. Postdoctoral Recipients

For postdoctoral recipients, a payback obligation is incurred for the first 12 months of NRSA support with the 13th and subsequent months of postdoctoral support serving to pay back this obligation on a month by month basis. A Payback Agreement Form (PHS 6031) is still required but only for the initial 12-month postdoctoral support period.

The requirements established by the Revitalization Act also provide that the 13th and subsequent months of postdoctoral NRSA supported research

training will be used to discharge any PRIOR postdoctoral NRSA service payback obligation. See Section IV.C.1.c Initiation of Payback Service for detailed changes effective with the Act.

c. Short-term Training

Any predoctoral short-term training would not incur a payback obligation. Postdoctoral short-term training would incur a payback obligation. Any support would accrue along with any subsequent postdoctoral support until the first twelve months was established. At that point, the 13th and subsequent months of support would serve to offset the obligation on a month-by-month basis. In the event that subsequent postdoctoral support was not received, the individual would have an obligation which would have to be paid back in the traditional manner.

C. Payback

The NIH awarding component, generally assumes responsibility for handling payback activities once the Termination Notice has been submitted and accepted.

For some awarding components, the NIH NRSA Payback Service Center assumes this responsibility. Established in the National Institute of General Medical Sciences effective October 1, 1995, the Payback Service Center personnel represent the NIH's experts in the NRSA Payback arena. For those awarding components participating in the Center, the authorities normally delegated to the awarding component are automatically delegated to the Chief, NRSA Payback Service Center. Most NRSA recipients eventually fulfill their payback obligation by engaging in activities which are determined to be acceptable service. Some recipients fulfill their obligation via financial payback. On rare occasions waivers of the payback obligation are granted.

As indicated in Section IV.B above, the amount of a payback obligation incurred is solely dependent upon when NRSA support was received. Timing of NRSA support is also a factor on the type of service that qualifies as acceptable payback.

1. Service Payback

a. Definitions

For the purpose of fulfilling the NRSA service payback obligation, the following definitions apply:

(1) Research

Research is defined as an activity which involves the design of experiments, development of protocols, and collection and interpretation of data. In addition, review of original research or administration of

original research which includes providing scientific direction and guidance to research may be acceptable if a doctoral degree and relevant research experience is required for individuals filling such positions. Such research can be conducted in an academic, government, commercial or other environment in either a foreign or domestic setting.

In addition, when consistent with the cumulative amount, type, and frequency of research or research training experiences, functions which involve analytic or other technical activities conducted in direct support of research, as defined above, will also satisfy the service payback obligation.

(2) Teaching

Teaching is an instructional activity that takes place in an organized educational or other instructional environment. Activities classified as teaching are generally carried out in a formal didactic setting but other activities will be considered if they are consistent with the certifying institution's policy on the definition of teaching responsibilities. Such teaching can be conducted at universities, professional schools, research institutes, teaching hospitals, primary schools, secondary schools or colleges. When calculating hours of teaching per week, it is permissible to include three hours of preparation time for each hour of direct instruction.

Acceptable teaching activities must have a biomedical or health-related relevance.

(3) Health-Related

This incorporates a broad range of activities related to the description, diagnosis, prevention or treatment of disease from the most basic biomedical or behavioral research to the most applied or clinical research. In addition to fields usually considered to be directly related to human disease, activities in other fields such as agriculture, environmental sciences, biotechnology, and bioengineering will also be considered health related.

b. Time Commitment

All acceptable activities must be undertaken for periods that average at least 20 hours per week. Total employment in such activities averaging less than 20 hours per week cannot be counted towards fulfilling the obligation except in cases of disability or other pressing personal or family circumstances such as child care or elder care responsibilities. It is not

permissible for individuals otherwise engaged in full-time employment to engage in service payback activities at effort levels below 20 hours per week.

If less than 20 hours commitment per week is permitted, the total period of service obligation will be prorated. For example, an individual who owes 12 months of service and can devote only 10 hours per week to service payback activities due to a disability will be required to engage in such service for 24 months. These exceptions are rare and must receive prior approval from the awarding component.

c. Initiation of Payback Service

(1) Support Received Prior to NIH Revitalization Act

For NRSA recipients who incurred a payback obligation from support received prior June 10, 1993, payback service must be performed following completion of NRSA support. No amount or type of activity prior to or during the period of NRSA support will satisfy the NRSA service payback obligation. However, payback service may be initiated immediately after termination from NRSA if the research or teaching activities meet the criteria cited above.

(2) Support Received Post NIH Revitalization Act

Beginning with awards operating under the NIH Revitalization Act (appointments on or after June 10, 1993), service payback obligations for postdoctoral recipients may be discharged in the following ways:

- (a) By receiving an equal number of months of postdoctoral NRSA support beginning in the 13th month of such postdoctoral NRSA support;
- (b) By engaging in an equal number of months of health-related research, training and/or teaching averaging more than 20 hours per week.
- (c) Trainees and fellows beginning appointments for the 13th and subsequent month of POSTDOCTORAL NRSA support on or after June 10, 1993 will be engaging in service which will also satisfy prior postdoctoral NRSA service payback obligation. Post-award service in non-NRSA supported health-related research, training, and/or teaching, is creditable toward any NRSA service payback obligation.

(d) Individuals who have completed their predoctoral NRSA training and have an existing NRSA service payback obligation are still required to engage in service payback or make financial repayment. Postdoctoral NRSA support may not be used to satisfy an existing predoctoral payback obligation.

d. Source of Funding

The source of funds supporting an individual's service payback activity is not restricted beyond the fact that for predoctoral payback activities it must not be supported by NRSA. An individual could be supported by a PHS grant or from any non-NRSA Federal or non-Federal source. Unpaid service is also permitted.

e. Timing of Service Obligation

An individual must begin to undertake the payback service requirement within two years after the termination date of the individual's NRSA support unless an extension of time to begin payback has been approved by the awarding component (see Section IV.C.4.a).

2. Alternative Service

a. Policy

Alternative service in lieu of research and teaching was deleted by the Omnibus Budget Reconciliation Act of 1981. Individuals who entered the NRSA program on or after August 13, 1981, the date the Act was signed, are not eligible for alternative service. Individuals who entered the NRSA before August 13, 1981, are governed by the alternative service provisions in effect when their appointment started. The Deputy Director for Extramural Research, NIH must authorize alternative service and make a determination that no suitable research or teaching positions are available to the individual.

The types of permissible alternative service are as follows:

(1) If the individual is a physician, dentist, nurse or other person trained to provide health care directly to individual patients, he or she may:

(a) serve as a member of the National Health Service Corps for a period equal to the period of NRSA support; or

(b) provide services in his or her specialty for a health maintenance organization to which payments must be made under Section 1876 of Title XVIII of the Social Security Act and which serves an

underserved population (as defined in Section 1302(7) of the Public Health Service Act); or

(2) If the individual is not trained to provide health care directly to patients, he or she may engage in a health related activity appropriate to his or her education or training.

b. Process

The individual must submit a written request for Alternative Service. The request from the trainee/fellow should describe the effort made to secure a research or teaching position and any specific constraints under which the search for employment has been conducted. If a request relates to the inability of a former trainee/fellow to find an acceptable position, rejection letters or other documentation supporting a reasonable effort to find a suitable position must be provided.

The awarding component, preferably through its Associate Director for Extramural Programs or equivalent, forwards the trainee/fellow's request along with a recommendation to approve (or not approve), through the Research Training Officer (RTO), to the DDER. The RTO evaluates the request. If approval is recommended the RTO prepares a letter from the DDER, NIH to the former NRSA trainee/fellow granting the request. If the request is disapproved, the Associate Director for Extramural Programs in the awarding component will be informed in writing by the RTO. The letter of disapproval sent to the former trainee/fellow will be signed by the Director of the awarding component or a designee.

All recommendations for alternative service must include information on: (1) the grant number(s) of the award(s) under which support was received, (2) the total months of support (predoctoral or postdoctoral), (3) the total amount owed before interest; and (4) whether any payback service was credited. The awarding component should also clearly state the reason for the request and include any documentation provided by the individual.

3. Financial Payback

a. Policy and Principal Calculation

If any individual to whom the requirement for service is applicable fails to undertake or perform such services, the United States Government shall be

entitled to recover from the individual the amount determined in accordance with the following formula plus interest:

$$A = O \left(\frac{t-s}{t} \right)$$

Where "A" is the amount the United States is entitled to recover, "O" is the sum of total amount paid to the individual under the National Research Service Award support; "t" is the total number of months in service obligation, and "s" is the number of months of such obligation served .

The total paid to the individual under institutional grants and individual awards at domestic, non-federal sponsoring institutions is considered to be the stipend only. The total paid an individual under a fellowship award at a foreign sponsoring institution includes the payment for the round trip travel costs. The total paid an individual under a fellowship award at a Federal sponsoring institution includes any money expended from the institutional allowance provided for such purposes as health insurance, travel, tuition, and fees.

OFM establishes Account Receivable-Interest Receivable account for the principal and interest amounts the United States is entitled to recover.

b. Interest & Interest Rate Calculation

OFM computes interest on the principal amount beginning on the date the U.S. became entitled to recover stipends. The interest rate is the rate fixed by the Secretary of the Treasury after taking into consideration prevailing consumer rates of interest. Accordingly, interest may be accruing on any NRSA obligation if the two-year grace period has passed, or if deferment has expired, or if service has terminated before completion of the payback obligation. The Department of the Treasury certifies NRSA interest rates on a quarterly basis. Interest is computed on a 360 day-a-year basis and is applied through the date of receipt. Any outstanding amount will continue to bear interest at the initial rate set by the Secretary of the Treasury until financial payback is complete.

Determination of the "date" which sets the applicable rate of interest is dependent upon the type of NRSA account received for collection. If Financial Payback is Voluntary (see Section C.3.c.), the signature date of the notification of voluntary payback is the "date" that determines the interest rate as well as the initiation of the three year repayment period. If Financial Payback is Involuntary (see Section C.3.d.), the "date" which determines the interest rate and the three-year repayment period is the date of expiration of the two-year period following the termination of NRSA support. For example, if during June 1991, the OFM received an account

reflecting January 31, 1989, as the termination date of NRSA support, the Government, lacking any documentation to the contrary, becomes entitled to financial payback effective February 1, 1991. The rate of interest applicable is determined based on the February 1, 1991, date and the total NRSA obligation is required to be fulfilled by January 31, 1994.

The amount to be recovered financially, as determined from the Termination Notice plus applicable interest, shall be paid to the United States within the three-year period following such date.

c. Voluntary Financial Payback Process

In the event that the trainee/fellow voluntarily elects financial payback, the awarding component immediately:

- (1) acknowledges the trainee/fellow's decision to payback financially;
- (2) sends the following information to the Office of Financial Management (OFM) official when financial payback is indicated:
 - (a) a copy of all trainee/fellow's APACs and/or letter electing to pay back financially;
 - (b) a copy of the awarding component's acknowledgment to the trainee/fellow;
 - (c) a copy of the Termination Notice(s) reflecting the trainee/fellow's complete NRSA support record; and Statements of Appointment (2271) and/or Activation Notices;
 - (d) a copy of the NRSA Payback Agreement(s) executed by the trainee/fellow.

d. Delinquency/Involuntary Financial Payback

(1) A trainee/fellow is considered delinquent if he or she has not initiated payback service within the 24 months following the date of termination of NRSA support and has not initiated a request for a waiver of obligation, extension, or voluntary financial payback. Delinquent status may become evident in two ways:

- (a) a second year APAC is returned by a trainee/fellow but does not indicate that acceptable payback service has been initiated by the end of the 24 month period and there is no request for waiver, extension, or voluntary financial payback; or

(b) there has not been a second year APAC returned by the trainee/fellow and contact procedures have failed (See Section IV.D.1.d.)

(2) If the second year APAC is returned as in d.(1) above, the awarding component sends a certified letter which explains that the trainee/fellow is considered in delinquent status and is responsible for financial payback unless the trainee/fellow requests, within a 30 day period:

(a) a delay in undertaking payback service; or

(b) a waiver of payback obligation (see Section IV.C.5.).

(3) In the event of delinquent status, (no acceptable APAC, no request for waiver or extension, or no contact) involuntary financial payback is initiated and the awarding component immediately refers the case for collection to OFM.

e. Procedure for Notifying OFM

The OFM is assigned the responsibility for receiving any amount owed to the U.S. Government. The awarding component notifies the General Ledger, Reports and Reconciliation Branch, OFM of financial payback as soon as it is aware of a situation of either voluntary financial payback or involuntary payback.

The awarding component should provide to OFM:

(1) the Special Action/Change Notice which indicates the trainee/fellow's social security number, most recent address, and date of birth in the Other Changes portion of the form;

(2) Statement of Appointment Form(s), Payback Agreement(s), and Termination Notice(s);

(3) a copy of the trainee/fellow's APAC indicating either partial service or failure to respond; and

(4) copies of the last correspondence sent to and received from the trainee/fellow, including the unclaimed envelope or returned receipt with which the final APAC was mailed. This is considered sufficient documentation in the event of involuntary payback action.

The NIH will report the claim to the appropriate credit bureau, if the trainee/fellow does not respond to the third demand letter from OFM.

f. Notification to Recipient

OFM sends a letter, a basic data record, and instructions for financial payback to the NRSA trainee/fellow explaining the total amount the U.S. is entitled to recover as of the particular date.

g. Payment Method

The trainee/fellow may elect to make payment in lump sum or installments (monthly, quarterly, annually, or otherwise). The OFM sends a statement to the individual after each payment is received reflecting the amount of principal and interest paid plus the outstanding balance. Each payment is first applied against accrued interest with the remaining balance to principal.

Individuals have 3 years in which to complete the repayment.

h. Receipts

The OFM receives the checks for repayment directly from the trainee/fellow. Checks are made payable to "DHHS, National Institutes of Health" with the fellowship or grant number recorded on them. The checks are mailed to:

National Institutes of Health
Office of Financial Management
General Ledger, Reports, & Reconciliation
Branch
Building 31, Room B1B47
9000 Rockville Pike
Bethesda, Maryland 20892

i. Request for Waivers/Exemptions

Once the financial payback process has been initiated, Trainee/Fellow requests for waiver or exemptions are referred back to the appropriate awarding component for review and consideration. A copy of the response and all other correspondence pertinent to financial payback is sent to the OFM at the address shown above.

j. Extension of the Three-Year Period to Complete Financial Payback

The Chief, General Ledger, Reports and Reconciliation Branch, Office of Financial Management may approve or disapprove a request to extend the

financial payback period. Decisions to extend the period are based on the criteria described in Section IV.C.4. below.

k. Completion

The OFM notifies the trainee/fellow and the awarding component when financial payback has been completed. Upon receipt of this notification, the awarding component enters the appropriate code in the computer file. The physical file is retained for one year and then forwarded to the Federal Records Center.

4. Extensions of Payback

The National Research Service Award legislation and the promulgating regulation (42 CFR Part 66) authorize the Secretary to make exceptions to certain requirements under the Act. The Secretary has delegated this authority through the Assistant Secretary for Health to the Director, NIH, for NIH-supported NRSA grants and awards. The Director in turn has redelegated to the Deputy Director for Extramural Research (DDER) and the awarding component Directors certain of these authorities for making exceptions. In the case of extensions to initiate or complete payback, awarding component Directors have the authority to approve.

a. Extensions of the Two-Year Period to Initiate Payback

Frequently, an APAC is returned requesting an extension of the two-year period to initiate payback. Indication of valid plans to initiate payback soon after the two-year grace period may be good reason to grant an extension.

Upon approval of requests for extension, the awarding component signs off on the APAC and updates the IMPAC file directly.

b. Basis for Extensions

The Associate Director for Extramural Programs of the awarding component may extend the period for undertaking payback service or permit breaks in continuous service. These determinations are based on the following criteria:

- (1) an extension or break in service is necessary so the individual may complete his or her research or clinical training;
- (2) the individual is unable to complete the requirements within the specified period because of a temporary disability; or

(3) completion by the individual of the requirement within the specified period would involve substantial hardship to the individual and that failure to extend the period would be against equity and good conscience.

Reasons for an extension or break in service include such things as completing residency training, where clinical teaching or research are not an integral part of their training, or individuals seeking employment that would fulfill the payback requirements.

Requests must be made in writing (separate letter or Annual Payback Activities Certification (APAC)) to the awarding component, specifying the need for additional time and the length of the required extension.

c. Extension to Complete Payback Service

The awarding component Director or designee may approve or disapprove requests to extend the period of payback service or permit breaks in continuous service. Decisions to permit breaks in service are based on the criteria described in Section IV.C.4.b above.

5. Waiver

a. Policy

The National Research Service Award legislation and the promulgating regulation (42 CFR Part 66) authorize the Secretary to make exceptions to certain requirements under the Act. The Secretary has delegated this authority through the Assistant Secretary for Health to the Director, NIH, for NIH-supported NRSA grants and awards. The Director in turn has redelegated to the Deputy Director for Extramural Research (DDER) and the awarding component Directors certain of these authorities for making exceptions. For waiver requests, only the Deputy Director for Extramural Research, NIH may waive, in whole or in part, the payback obligation, upon determination that compliance by the individual is impossible, or would involve substantial hardship, and enforcement of the obligation to that individual would be against equity and good conscience.

b. Waiver Criteria

Requests for waivers should be made in writing to the awarding component and explain the need for the waiver according to the following criteria:

(1) Compliance by an individual will be deemed impossible if the individual is permanently and totally disabled;

(2) In determining whether compliance would involve substantial hardship to the individual and would be against equity, the Director, NIH shall take into consideration:

- (a) the individual's financial resources and obligations at the time of request for a waiver;
- (b) the individual's estimated future financial resources and obligations; In rare cases, the following might also be considered:
- c) the reasons for the individual's failure to complete the requirements within the prescribed period, such as problems of a personal nature;
- (d) the extent to which the individual has engaged in payback activities;
- (e) whether the individual has received sufficient training to be qualified to perform such activities;
- (f) the lack of employment opportunities appropriate to the individual's education and training; and
- (g) any other extenuating circumstances.

(3) Any obligation of any individual toward payback will be canceled upon death of the individual.

c. Process

The awarding component, preferably through its Associate Director for Extramural Programs or equivalent, forwards the trainee/fellow's request along with their recommendation for a waiver, through the Research Training Officer (RTO), to the DDER. The trainee/fellow's request and the recommendation are based on the criteria described in Section IV.C.5.b.. The RTO evaluates the waiver case. If approval is recommended the RTO prepares a letter from the DDER, NIH to the former NRSA trainee/fellow granting the waiver. If a waiver is disapproved, the Associate Director for Extramural Programs in the awarding component will be informed in writing by the RTO.

The letter of disapproval sent to the former trainee/fellow will be signed by the Director of the awarding component or a designee.

All requests for waiver must include information on:

- (1) the grant number(s) of the award(s) under which support was received;
- (2) the total months of support (predoctoral or postdoctoral);
- (3) the total amount owed before interest; and
- (4) whether any payback service was credited. The awarding component should also clearly state the reason for waiver. Whenever possible, appropriate documentation should be provided, such as tax forms, if a financial hardship waiver is requested, or a letter from a licensed health care provider if permanent and total disability is grounds for waiver.

If a waiver request relates to the inability of a former trainee/fellow to find an acceptable position, rejection letters or other documentation supporting a reasonable effort to find a suitable position must be provided.

d. Record Closure

Upon receipt of notification that the waiver has been approved, the awarding component enters the appropriate code in the computer file. The physical file will be retained for one year and then forwarded to the Federal Records Center.

D. Certification of Payback Activities

1. Annual Payback Activities Certification (Form PHS 6031-1, See Appendix 7)

a. Annual Certification

Entering the Termination Notice data into the IMPAC I/II File establishes the basis for the payback cycle. Payback service is certified through the use of the Annual Payback Activities Certification (APAC) form (PHS 6031-1). Individuals with an outstanding payback obligation, must complete an APAC annually until their payback obligation is fulfilled.

The APAC is sent by DMCS, OER approximately one year after the completion of NRSA support, if an individual has incurred a payback obligation. Payback service may be initiated within the first 12 months of termination even though trainees/fellows have up to 24 months to initiate payback. There is no penalty to those individuals who do not initiate payback within the first 12 months; however, it is critical that they complete an APAC form to ensure contact is maintained and addresses are current.

On this form, the individual will report the activity in which he or she was engaged for the preceding 12 months, within the specified "reporting period". These forms are to be returned within 30 days of the reporting period end date to:

Data Management Control Section, OER
National Institutes of Health
Rockledge II, Room 1010
6701 Rockledge Drive
MSC 7715
Bethesda, MD 20817

Forms are then forwarded by DMCS to the awarding component who will then review the activity and make a decision on its acceptability and inform the former trainee/fellow of the decision. This process will continue annually until the individual's total payback obligation is satisfied. See IV.D.1.d. for individuals who do not submit an APAC or cannot be located.

b. Change of Address

Any change in the mailing address of a NRSA recipient must be reported promptly to the awarding component until the service obligation is fully discharged.

c. Payback Validation

(1) When a returned APAC indicates payback service, the awarding component validates the service acceptability based on the description of duties and the criteria for acceptable payback (see Section IV.C.1.). Staff of the awarding component indicates the number of months of acceptable service on the APAC, signs and dates the form. This should be accomplished within 45 days of receipt.

(2) The original APAC and the trainee/fellow's payback record are maintained in the awarding component.

(3) The awarding component enters all appropriate data from the APAC into the IMPAC system. This includes appropriate credit for months of acceptable service, breaks in service, extensions, financial payback election, and address changes.

(4) One copy of the signed APAC is sent to the trainee/fellow, with a letter referencing the number of months of remaining payback obligation. If payback service is complete, the trainee/fellow is notified in writing.

(5) If the payback service is not approved, a letter of explanation is sent to the trainee/fellow with a copy of the APAC. A copy of the letter is maintained with the original APAC in the official payback file and the trainee/fellow's file is marked accordingly.

d. Contact Procedures

(1) General

The problems incurred in receiving a valid APAC form are generally two types; one is the lack of any response at all which usually indicates that the trainee/fellow received the information but did not return it; and, second, that the material is returned "address unknown" indicating that an address correction is necessary. DIU produces a mailer to the Trainee/Fellow which acknowledges receipt of the Termination Notice and requests that any change in address, name, or Social Security number be sent to the awarding component.

The following procedures are directed at making contact with the trainee/fellow and receiving a valid APAC form or establishing a proper financial collection claim.

(2) First Annual Report on Payback

(a) The DIU sends the first APAC form by regular mail to the NRSA trainee/fellow on the first anniversary of termination. When the APAC is returned the form is sent to the awarding component for validation. Payback credit and updated information is entered into the IMPAC system.

(b) If the first APAC is not returned within 45 days, DIU automatically sends a second (follow-up) APAC to the individual.

(c) If the second APAC is not returned within 45 days, the name of the individual and an APAC form will be sent by DIU to the awarding component. They use official file information and contacts with training grant program directors or fellowship sponsors to re-establish contact with the trainee/fellow and send the APAC to the most current address. This third APAC is sent by certified mail to verify the correct address and receipt of the APAC.

(d) If the third APAC is not returned within 45 days, the awarding component notes the type of response and the best available address and updates the record in the payback system. A further

follow-up is not required until the second year APAC is sent to the trainee/fellow.

(3) First year APAC - "Address Unknown"

(a) If the first annual APAC is returned "address unknown", it is directed to the awarding component which uses official file information as well as contacts with training program directors and fellowship sponsors to obtain a current address.

If these contacts fail to produce a current address, the awarding component utilizes services such as the TRW credit bureau location service to obtain a valid address. This address should be entered into the interactive system by the awarding component. Using this new address, a second APAC is sent by regular mail to the trainee/fellow by DIU.

(b) If the second APAC is also returned "address unknown," the documents are sent to the awarding component for verification. If a substantial number of follow-up APACs have been returned "address unknown", and all efforts by the awarding component have failed to produce a current address, DIU may initiate an address verification process with the Internal Revenue Service (IRS). These requests are batch processed and submitted to the IRS through the Claims Office.

Upon receipt of a new address, an APAC is prepared by DIU and sent to the trainee/fellow.

(c) The third APAC is sent by certified mail by the awarding component in order to confirm the address. If the APAC is not returned, no further action is required until the second year.

(4) Second Annual Report on Payback

(a) The DIU sends the second year APAC on the second anniversary of termination. Forms are sent to all trainees/fellows, even if the first annual APAC was not returned. In the event that an APAC was not obtained from an individual for the first twelve-month period, the APAC is mailed to the best available address. If the follow-up APAC for the second year is either not returned or returned "address unknown," the procedures outlined in Section d.(3) above are followed with these exceptions:

1. A final, follow-up APAC together with a letter explaining that the trainee/fellow is considered to be in

delinquent status and responsible for financial payback will be sent.

2. If within 30 days this final APAC is not returned or there has not been a request for an extension or waiver, the trainee/fellow is considered to be in delinquent payback status. The awarding component will then forward a financial collection claim to the Office of Financial Management (OFM).

2. Continuing Payback Service

An APAC form is sent each year by DIU near the termination anniversary to trainees/fellows who have continuing payback obligations. The validation process as specified in Section IV.D.1.c. is followed for each APAC. When the total payback obligation is satisfied, the DIU sends the awarding component the report, "Fellows/Trainees Having Completed Payback." The awarding component closes the automated payback record and sends a formal acknowledgment of completion of payback and a copy of the final APAC to the trainee/fellow.

3. Breaks in NRSA Support

Sometimes a trainee/fellow will have a period of non-NRSA support between two NRSA awards. An appropriate activity performed during this period of time may count for payback purposes toward the first NRSA award. If the non-support period is six months or longer, the individual receives an Annual Payback Activities Certification (APAC) form through the regular mechanism. However, if the break is less than six months, an APAC will not be automatically mailed by DIU. If acceptable payback service was performed during the break, the individual may complete an APAC, which can be obtained from the awarding component, to document the payback service. The completed APAC is validated as in Section IV.D.1.c.

4. National Health Service Corp

Occasionally, an NRSA recipient will have previously been a National Health Service Corps (NHSC) scholar. Legislation provides authority for holders of both awards to pay back the obligation of the two sources of support concurrently. Therefore, activities which qualify as NRSA payback will also serve as payback for the NHSC obligation. However, no Legislative Allowance is provided for NHSC service; e.g., 36 months of NRSA support (prior to June 10, 1993) and 36 months of NHSC support would require 24 months of NRSA payback service and 36 months of NHSC service respectively. The awarding component monitors both obligations until they are both satisfactorily completed. A listing of individuals who have received both awards is provided by the NHSC monitoring office.

Once these individuals have terminated NRSA support, the APACs generated and mailed by OER should reflect both obligations. Across the top of each APAC the statement "NHSC Obligation Outstanding" should appear. It should also show the number of months of NHSC obligation in addition to the NRSA obligation in the section marked "Total Months of NRSA support". An individual will continue to receive an APAC each year until both obligations have been fulfilled. Most often the NRSA obligation is fulfilled before the NHSC. However, each year APACs should continue to be validated until the NHSC obligation is also complete. It is the obligation of the recipient to report any action to the NHSC. The validated APAC is considered the official document. However, it is advisable for the awarding component payback monitor to send a copy of the validated APAC to the NHSC.

When recipients have completed their total obligation to both NRSA and NHSC, send the following documentation to the NHSC contact:

- a) a copy of the completed validated APAC and;
- b) a copy of the awarding component letter addressed to the recipient.

The awarding component letter to the recipients should indicate that after they submit a copy of their APAC to the NHSC, they will receive a letter of completion from the NHSC.

NHSC Contact:

Division of Scholarship & Loan Repayments
Scholarship Programs Branch
4350 East-West Highway, 10th Floor
Bethesda, MD 20814

Phone: (301) 594-4403

5. Payback Record Retention and Disposal

All physical records must be retained in accordance with standard policy for individual grant files. Records relating to the individual's payback obligation are retained for one year after the individual has fulfilled or has been excused from fulfilling the payback obligation. After the one-year period, closed files are transferred to the Federal Record Center.

6. Reports

Interim reports on the individuals who have terminated NRSA support and their payback status are available through the interactive system. The reports include information concerning individuals who received 12 months or less of NRSA

support. These reports may be requested by the awarding component via the computer by accessing the NRSA Reporting System. A listing of available reports is provided along with print options.

Appendix 1- NRSA Financial Provisions

[**Please refer to paper copy for some appendix information.**]

Costs are normally provided based on a 12-month budget period. Awards for less than 12 months are prorated accordingly.

A. Stipends

Reference: NIH Guide, Volume 25, Number 41, November 29, 1996

Effective October 1, 1996, the following annual stipend levels apply to all individuals receiving support through Institutional or Individual NRSA grants made with FY 1997 and subsequent fiscal year funds. These levels also apply to Minority Access to Research Career (MARC) and Career Opportunities in Health (COR) programs. Supplementation, or retroactive adjustments, with NRSA funds for awards made prior to October 1, 1996, is unallowable. Note, the annual level for postdoctoral experience at the time of the appointment/award.

Career Level Stipend for FY 97 (and subsequent years, until revised)

MARC/COR Honors Undergraduates

- Freshmen/Sophomores \$6,276
- Juniors/Seniors \$8,796
- Predoctoral \$11,496
- Postdoctoral Years of Experience.
- less than 1 \$20,292
- greater than or equal to 1 but less than 2 \$21,420
- greater than or equal to 2 but less than 3 \$25,600
- greater than or equal to 3 but less than 4 \$26,900
- greater than or equal to 4 but less than 5 \$28,200
- greater than or equal to 5 but less than 6 \$29,500
- greater than or equal to 6 but less than 7 \$30,800
- greater than or equal to 7 \$32,300
- Senior Fellows \$32,300

B. Training Related Expenses (TRE) -Institutional Training Grants

Sometimes referred to as "Above the Line Costs" or "Other Expenses", TRE funds are awarded to help defray the costs of other training related expenses such as staff salaries, consultant costs, equipment, research supplies and staff travel. TRE is generally

requested in a lump sum, based on the number of trainees requested in the application, and entered on the budget page without further stipulation.

Current levels are up to \$1,500 per year for each predoctoral trainee, and up to \$2,500 per year for each postdoctoral trainee. The training related expenses for specialized programs such as MARC & COR are referenced in the specific program announcements.

C. Institutional Allowance - Individual Fellowships

Reference: NIH Guide, Vol. 26, No. 1, January 10, 1997

Provided annually to help defray the costs for the individual fellow. Section II.G.2.a.(1) describes in detail what are considered acceptable costs for individual fellowships depending on the training site. Note however, beginning in FY97, for postdoctoral fellowships, tuition & fees (except health insurance), when applicable, are no longer included as part of the institutional allowance. That cost will be awarded in accordance with the tuition policy described below. The cost of self-only health insurance itself will continue to be charged to the Institutional Allowance.

1. For new, competing fellowships funded in FY97 and henceforth, institutional allowance will be provided for all years as follows:

Predoctoral:

Up to \$4,000. Note, many awarding components provide individual predoctoral fellowships with a reduced institutional allowance (usually \$2,000) since costs for tuition, fees and health insurance are awarded separately. Specific program announcements and/or awarding components should be contacted for guidance.

Postdoctoral:

- Up to \$4,000 (For fellows at non-federal, non-profit, or foreign institutions)
- Up to \$3,000 (For fellows at Federal laboratories or for-profit institutions)

2. For non-competing fellowships funded in FY97, institutional allowance will continue to be awarded at levels previously determined. For those grants involving tuition & fees (including health insurance), these costs will continue to be paid under the previous policy guidelines. For postdoctoral fellows these costs will continue to be part of the institutional allowance. For predoctoral fellows, specific programmatic guidelines should be consulted.

Predoctoral: Up to \$4,000

Postdoctoral: Up to \$3,000

D. Tuition and Fees

References:

- NIH Guide, Vol. 25, No. 2, February 2, 1996
- NIH Guide, Vol. 25, No. 31, September 20, 1996
- NIH Guide, Vol. 26, No. 1, January 10, 1997

Beginning in FY96, the NIH announced a new policy for the reimbursement of tuition costs. This new policy is being implemented beginning with competing institutional awards. Note, applicant institutions are instructed to continue to request the full amount of these costs in competing applications. Awarding component staff will apply the reimbursement formula at the time of an award.

1. Institutional Grants

- a. For competing awards issued in FY96 and henceforth, combined costs of tuition, fees and self-only health insurance are reimbursed at the following per trainee rate: 100% of all costs up to \$2,000 and 60% of costs above \$2,000. Future years provide no escalation.
- b. Non-competing awards funded in FY96 will continue to be reimbursed at established levels until such time as they recompete.

2. Individual Postdoctoral Fellowships

- a. For competing awards issued in FY97 and henceforth, when applicable, tuition and fees (excluding health insurance) is reimbursed at the following rate: 100% of all costs up to \$2,000 and 60% of costs above \$2,000. Future years provide no escalation.
- b. Non-competing awards funded in FY97 will continue to be reimbursed at previously established levels.

3. Individual Predoctoral Fellowships

Reimbursement of tuition and fees (including health insurance) varies among the NIH awarding components. Therefore, specific program announcements and/or awarding components should be contacted for guidance.

- a. When tuition, fees and health insurance is awarded as a separate cost, for competing awards issued in FY97 and henceforth, this cost will be

reimbursed at the following rate: 100% of all costs up to \$2,000 and 60% of costs above \$2,000. Future years provide no escalation

b. Non-competing awards funded in FY97 will continue to be reimbursed at previously established levels.

E. Short-Term Training - Students in Health Professional School

Most short-term trainees are funded at the predoctoral stipend level. The current monthly level is \$958. Up to \$125 per month for each participating student may be requested to defray other costs of training such as staff salaries, consultant costs, research supplies, tuition, travel etc. Some NIH awarding components provide short-term training at the postdoctoral level as well. Specific program announcements and awarding components should be contacted for guidance.

Appendix 2 - Receipt, Review & Award Schedule

RECEIPT, REVIEW AND AWARD SCHEDULE

Application Receipt Dates	Review and Award Schedule	ALL Institutional Research Service Awards *	Scientific Merit Review	Advisory Council Review	Earliest Award
January 10	June/July	September/October	December	May 10	October/November
January/February	April	September 10	February/March	May/June	July

Individual National Research Service Awards (Fellowships)	Initial Review Dates	Range of Likely Start Dates
April 5	June/July	September - Dec
August 5	October/November	January - March
December 5	February/March	May - July

***Some Institutes have only 1 or 2 receipt dates for Institutional Training Grants. They are:**

Institute/Center	Application Receipt Date(s)
NIA	May 10
NIAAA	May 10
NIAID	September 10
NIAMS	May 10
NICHHD	May 10
NIDCD	May 10
NIDR	September 10
NEI (beginning FY 1998)	May 10
NIEHS	May 10
NHLBI	January 10 & May 10
NHGRI	May 10
NIMH (except Office of AIDS)	May 10
NINDS	May 10
NINR	May 10

Applicants are encouraged to confirm the application receipt dates by calling the appropriate Institute or Center Review Office. Specific NRSA programs may change their receipt dates to complement Institute workloads.

Appendix 3 -- Research Fellowship Activation Notice (PHS 416-5)

Research Fellowship Activation Notices (PHS 416-5) are automatically mailed with applicable Notice of Grant Awards. Additional forms are available from the Grants Management Office of the awarding component.

Appendix 4 -- Statement of Appointment Form (PHS 2271)

Statement of Appointment Forms (PHS 2271) are automatically mailed with applicable Notice of Grant Awards. Additional forms are available from the Grants Management Office of the awarding component.

Appendix 5 -- NRSA Payback Agreement (PHS 6031)

NRSA Payback Agreements (PHS 6031) are automatically mailed with applicable Notice of Grant Awards. Additional forms are available from the Grants Management Office of the awarding component.

Appendix 6 -- NRSA Termination Notice (PHS 416-7)

NRSA Termination Notices (PHS 416-7) are automatically mailed with applicable Notice of Grant Awards. Additional forms are available from the Grants Management Office of the awarding component.

Appendix 7 -- NRSA Annual Payback Activities Certification (PHS 6031-1)

NRSA Annual Payback Activities Certifications (PHS 6031-1) are automatically mailed annually to applicable recipients.